

By Mr. LAFFERTY: Petition of the United National Association of Post Office Clerks, Portland, Oreg., protesting against the passage of any amendment to the Reilly eight-hour law; to the Committee on the Post Office and Post Roads.

By Mr. LONERGAN: Petition of the Brotherhood of Locomotive Firemen and Enginemen, favoring the passage of Senate bill 4, in the interest of seamen; to the Committee on the Merchant Marine and Fisheries.

By Mr. MONDELL: Petition of sundry residents of Douglas, Wyo., protesting against the enactment of legislation of the character proposed in House bill 23133, Sixty-second Congress; to the Committee on the Judiciary.

By Mr. O'LEARY: Petition of the First National Bank of Ozone Park, New York City, protesting against the depreciation of any of their assets; to the Committee on Banking and Currency.

By Mr. SCULLY: Petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring equipment of road engines with electric headlights and safety boilers; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring the passage of legislation for a restriction of immigration to the United States; to the Committee on Immigration and Naturalization.

Also, petition of the National Life Insurance Co. of the United States of America, of Chicago, Ill., protesting against life insurance funds in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the Banana Buyers' Protective Association of New York City, protesting against a duty on bananas; to the Committee on Ways and Means.

Also, petition of the New York Zoological Society, favoring the clause prohibiting importation of egrets, etc.; to the Committee on Ways and Means.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring improvement in living conditions of our seamen; to the Committee on the Merchant Marine and Fisheries.

By Mr. WILLIS: Petitions of the Order of Railway Conductors and Switchmen's Union, against the enactment of a workmen's compensation law; to the Committee on the Judiciary.

SENATE.

THURSDAY, July 24, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.
The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a petition of the Pennsylvania Pharmaceutical Association, praying for the enactment of legislation providing for a suspension of a product patent if it can be shown that the product patented can be made by process of manufacture that is entirely new and original, which was referred to the Committee on Patents.

Mr. MARTINE of New Jersey presented a memorial of the Plainfield Branch of the New Jersey Association Opposed to Woman Suffrage, remonstrating against the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

Mr. CLAPP presented petitions of sundry citizens of Minneapolis, Minn., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

Mr. OLIVER presented a telegram in the nature of a memorial from the Philadelphia Bag Co., of Philadelphia, Pa., remonstrating against the adoption of the provision of the administrative section of the pending tariff bill which would have the effect of excluding from the United States practically all burlap manufactured abroad, which was referred to the Committee on Finance.

TARIFF DUTY ON LIME AND CEMENT.

Mr. OLIVER. I present a letter from Mr. David M. Kirk, a prominent merchant and manufacturer of Wampum, Pa., on the subject of the proposed duty of 5 per cent ad valorem on lime and Portland cement. I ask that the letter be printed in the RECORD without reading.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

WAMPUM, PA., June 26, 1913.

Hon. GEORGE T. OLIVER,

United States Senate, Washington, D. C.

MY DEAR SENATOR OLIVER: Like yourself I am sometimes of the opinion that it is not wise to say very much to the present Congress relative to tariff, and I beg to ask your advice as to what to do.

It is very rare, so far as I recollect, that in such matters I have put in a protest on tariff; but I feel that in the matter of duty on lime and Portland cement, in which I have interests, the determination of Congress to fix a 5 per cent ad valorem duty is so close to free trade that I am utterly unable to understand their action. Germany is the great producer of Portland cement, outside of the United States, and wages and every feature of cost, except fuel, is so much lower than in the United States that I can only foresee a very serious problem for the Portland cement manufacturers in the United States. I am unable to believe that American workmen will ever consent to work for the wages paid in foreign countries, and the great scarcity of labor in this country will leave the manufacturers of Portland cement in a very difficult position. I therefore beg to inquire as to whether you know of any channel which is right and proper through which this matter can be presented with the hope of doing some good.

I quite appreciate that interested manufacturers of Portland cement could take issue in the form of protests, etc., against such a duty, and I understand the cement people have done so very thoroughly, and my latest advice is that they have done so unsuccessfully. Cement being a low-priced article, 5 per cent ad valorem is a very, very small margin, and which is entirely wiped out when taking into consideration the fluctuations of fuel and labor alone.

From information I have received, the duty should be 5 cents per 100 pounds, which would make a reduction of 12 cents per barrel.

If ever there was a time when Pennsylvania needed your hearty, earnest effort on her part it certainly is the present time.

In writing this letter I will refrain from arguments, etc., and I have written you very, very briefly, considering the importance of the matter, and I most earnestly beseech you to think the matter over and write me what you think can be done.

I understand this matter will be disposed of in the conference committee, and I am so unable to understand why such a duty has been arrived at that I am at sea. However, I will present no reflections nor discussions; but it does seem to me that the present administration is unwarranted in many things.

With kind regards, and hoping to hear from you by return mail, I beg to remain,

Yours, respectfully,

DAVID M. KIRK.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRISTOW:

A bill (S. 2818) granting an increase of pension to Jackson Stout (with accompanying paper); to the Committee on Pensions.

By Mr. BURTON:

A bill (S. 2819) to reimburse Edward H. Collins, postmaster of Bedford, Cuyahoga County, Ohio, for postal savings stamps stolen; to the Committee on Claims.

By Mr. KERN:

A bill (S. 2820) granting an increase of pension to Andrew Eifer (with accompanying papers); to the Committee on Pensions.

A bill (S. 2821) for the relief of Americus A. Gordon (with accompanying paper); to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 2822) to reimburse the Port Angeles City Dock Co. for damage done to the dock of that company by the U. S. revenue cutter *Snohomish*; to the Committee on Claims.

AMENDMENTS TO THE TARIFF BILL.

Mr. McLEAN submitted 13 amendments intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which were ordered to lie on the table and be printed.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. BRANDEGEE submitted an amendment authorizing the accounting officers of the Treasury to allow the accounts of the United States marshal for the district of Connecticut amounts paid by him from the appropriation pay for bailiffs, etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

INTERNATIONAL STATISTICAL INSTITUTE.

Mr. O'GORMAN submitted the following resolution (S. Res. 141) which was referred to the Committee on Foreign Relations: Whereas the Government of Austria has invited the Government of the United States to be represented by official delegates at the fourteenth session of the International Statistical Institute to be held at Vienna September 7 to 13, 1913: Therefore be it

Resolved, That the Department of State is authorized to accept this invitation and appoint one or more official delegates to represent the United States at this session of the International Statistical Institute, provided such arrangement can be made without requiring any special appropriation for the purpose.

STATUE OF ZACHARIAH CHANDLER.

Mr. TOWNSEND. Mr. President, there is on the calendar a notice given by my colleague [Mr. SMITH of Michigan] that on July 28, at 3 o'clock p. m., he would call up Senate resolution No. 119. I desire to state at this time that in order that it may not interfere with other business this order will be postponed. I shall ask to have it postponed until a time to be fixed later, after my colleague returns.

I desire also at this time to announce that on Monday next, at the conclusion of the morning business, I shall address the Senate on the pending tariff bill.

The VICE PRESIDENT. The Chair is informed by the Secretary that the resolution itself fixes July 28.

Mr. TOWNSEND. I am giving notice now that I shall ask to have that postponed, so that it will not interfere with the tariff debate which will come on, because it will not be considered at that time.

PRINTING OF MAP IN RECORD.

Mr. FLETCHER. Mr. President, I desire to call up the motion to reconsider which was presented a few days ago in reference to the order which appears on page 2571 of the RECORD. I entered a motion to reconsider, and I move a reconsideration of the vote by which that order was agreed to. I think it will take no debate.

I will state that as soon as the motion was made the matter was submitted to the Joint Committee on Printing and the map has been ordered printed by the committee. I simply want to have the vote reconsidered in order that we may leave the matter as it stood before without setting any dangerous precedent. If the motion to reconsider is granted, I will ask that the order be referred to the Joint Committee on Printing.

Mr. GALLINGER. Mr. President—

Mr. SIMMONS rose.

Mr. GALLINGER. Does the Senator from North Carolina desire to interrupt?

Mr. SIMMONS. I desire to inquire of the Senator from Florida if he thinks this will lead to any debate?

Mr. FLETCHER. I think not.

Mr. GALLINGER. It will not lead to debate, I will say to the Senator. I desire to make a single observation.

I think the Senator from Florida, perhaps, is a little inaccurate in saying that the so-called diagram is being printed because of the action taken by the Joint Committee on Printing. I am informed that the Printing Office recognized the fact that the Senate itself had authority to order it and they proceeded to execute that order.

But I have no disposition to obstruct the motion of the Senator from Florida and will content myself with simply observing that I hope the Senator from Florida, who is chairman of the committee, and a very industrious Senator, will offer an amendment to the existing statute giving the Joint Committee on Printing explicit authority in words over illustrations. It does not appear in the present law.

I do not oppose the reconsideration, Mr. President, and hope that it will prevail.

Mr. CLARKE of Arkansas. Mr. President, I desire to obstruct the motion if the object of it is to determine that the question was wrongfully decided by the Senate a few days since. I think it was decided exactly right and like it should be decided at all times when so raised.

If it is the purpose simply to reserve the question for further consideration by having a pro forma motion to reconsider entered, that will be satisfactory to me; but I am not going to permit this occasion to pass, carrying with it the assumption that the decision on that occasion was wrong. As nearly as I know anything I know it was right. If it is the intention of the Senator from Florida to ask that the matter may be disposed of pro forma and to reserve for future action the determination of the matter I do not think I shall interpose any objection. If that is not the purpose—

Mr. FLETCHER. My purpose is simply to have the matter stand as it stood before that action, without reference to the correctness or incorrectness of the action.

I will state that the Senator from Iowa [Mr. CUMMINS] addressed a communication to the Joint Committee on Printing; that this matter came up in regular order and was acted on; that the request was granted in regular order; and that the printing of the map has been ordered. I simply want to leave that order stand. I will be very glad to act on the suggestion of the Senator from New Hampshire at a later time and consider some specific matter of legislation on that subject.

Mr. CLARKE of Arkansas. The request of the Senator from Florida is a little broader than the mere application by the Senator from Iowa to the committee. The question in its breadth does not belong to any Senator nor is it to be controlled by any particular request. It involves the right of the Senate to control its own RECORD; and when that is seriously denied I think an occasion has arisen when the Senate ought to debate it and know just exactly what is being done.

I realize that we are working under some pressure here this morning. I do not desire to disturb the prescribed order. For that reason, if it is understood that the motion to reconsider is adopted by consent and without prejudice to the question, I shall interpose no further objection. Otherwise I shall desire to be heard.

Mr. FLETCHER. I desire that it shall assume that attitude, especially in view of the fact that we are really discussing a moot question. The matter has been disposed of in accordance with the desires and wishes of the Senator from Iowa.

Mr. GALLINGER. I will ask the Senator if it is not a fact that this table, as I call it—diagram, as the Senator calls it—is already prepared in the Printing Office.

Mr. FLETCHER. I believe it is; and I will say to the Senator from New Hampshire that instead of the supposed cost being about \$5, the cost will be \$43.30. But it is a valuable document. I think that shows the use of referring the question to the committee.

Mr. GALLINGER. That, of course, will not bankrupt the Treasury in these days of prosperity. But I join with the Senator from Arkansas in saying that I do not concede that the Senate took any improper or rash action in determining the matter as they did. At the same time, I do not wish to say a single additional word. I do not think it is worth spending a great deal of time on.

Mr. CUMMINS. Mr. President, I could not hear clearly what the Senator from Arkansas said about the Senator from Iowa. I think I caught a suggestion that I had agreed to something. I would be glad if his attention were called to it and he would tell me what his understanding was. I notice, however, that he is engaged.

Mr. CLARKE of Arkansas. I beg pardon. I did not understand that the Senator was addressing remarks to me.

Mr. CUMMINS. I could not hear clearly what the Senator from Arkansas said, but I caught the idea that he thought I had agreed to something with regard to this matter.

Mr. CLARKE of Arkansas. I do not think you agreed to anything, except that after the action of the Senate directing the publication of the map as prepared by the Senator you then addressed a communication to the Joint Committee on Printing making a request that that committee should grant the same thing. That is what I understood.

Mr. CUMMINS. I did address a communication to the Committee on Printing at the suggestion—

Mr. CLARKE of Arkansas. Why did not the Senator deem the action of the Senate sufficient to justify the incorporation of the map into his remarks?

Mr. CUMMINS. At the suggestion of the committee.

Mr. CLARKE of Arkansas. The Senator must have had some doubt about the authority of the Senate to give the direction.

Mr. CUMMINS. I have had nothing to do with the authority of the Senate. I have not asked that it be reconsidered or revised.

Mr. CLARKE of Arkansas. But the whole question arose in connection with the request and the motion made by the Senator from Iowa that a map be printed in the RECORD, and if it turns out that the Senator subsequently addressed a communication to one of the creatures of this body asking that the action of the Senate should be confirmed by the request of that body I think it presents a question that might be discussed.

Mr. CUMMINS. The Senator from Arkansas does not remember the RECORD. I asked the consent of the Senate, and said at the same time that I expected to secure the approval of the Committee on Printing, or hoped to secure it.

Mr. CLARKE of Arkansas. The only difference is I do not think the approval of the Committee on Printing is required when the Senate has ordered that certain things are to be published in the RECORD.

Mr. CUMMINS. I made no motion to direct it to be done.

Mr. CLARKE of Arkansas. The motion was put and carried.

Mr. CUMMINS. I know the Chair put the motion, but I did not make the motion. It is a matter of entire indifference to me what is done with it, but I wanted to be clear in my understanding of what the Senator from Arkansas said.

Mr. CLARKE of Arkansas. I thought the Senator had made the motion.

Mr. JOHNSTON of Alabama. I wish to ask the Senator from Arkansas if he does not think the joint committee of the two Houses has some authority in the matter?

Mr. CLARKE of Arkansas. I am not going to undertake to settle that question.

Mr. JOHNSTON of Alabama. Does the Senator think the Senate can direct it?

Mr. CLARKE of Arkansas. A great many think the Senate can direct it. It is being done, at any rate.

Mr. JOHNSTON of Alabama. Direct the joint committee of the two Houses?

Mr. CLARKE of Arkansas. I am only dealing with the question we had before us when it was disposed of by the Senate.

Mr. CRAWFORD. Mr. President, it has been impossible on this side of the Chamber to hear more than a small part of what has been said on the other side of the Chamber about this matter. It is one in which there is quite a lively interest, and I should like to know what the Senator from Florida is asking here at this time in regard to it.

Mr. FLETCHER. I entered a motion to reconsider the vote whereby the order was agreed to directing that the map should be printed in the Record, and the motion to reconsider is the pending motion. My purpose will be then—

Mr. CRAWFORD. The Senator has asked that the motion be considered at this time?

Mr. FLETCHER. Yes. I am calling up that motion. The motion went over at the time and is pending, and I am calling up the motion to reconsider the vote whereby that order was agreed to. Then I propose to follow that up with a further motion that the order be referred to the Joint Committee on Printing, which, as I said, has practically already disposed of the matter.

Mr. CRAWFORD. If this first motion is a mere matter of form, so that the question may come before the Senate on its merits, I do not know that I have any particular objection to it; but if it is to be considered on its merits before it is disposed of, I shall want to be heard, because I am one who agrees entirely with the Senator from Arkansas. I am decidedly opposed to having what, it seems to me, is an elementary right of the Senate to say what shall or shall not go into its Record put into the hands of a joint committee, a part of which is connected with another body. I do not believe we are ready to surrender our right to decide here in the Senate a question of that kind, and if the question is being considered on its merits I certainly want to know it.

Mr. FLETCHER. It is not now, and I hope the Senator will forego any discussion and leave the matter open, as it was before the question came up, because that particular point is really a moot question at this time. Mr. President, I call for a vote on the motion to reconsider.

The VICE PRESIDENT. The question is on the motion of the Senator from Florida to reconsider the vote by which the order was agreed to.

The motion to reconsider was agreed to.

Mr. FLETCHER. Now I move that the order, which appears on page 2571 of the Record, be referred to the Joint Committee on Printing.

Mr. GALLINGER. I think it would be better if the Senator should not make that motion. The diagram is already printed, and it will appear in the speech of the Senator from Iowa. Why, after it has become an accomplished fact, we should send an order to the Joint Committee on Printing and have it communicate with the Public Printer on a subject that has already been attended to, I can not understand.

Mr. FLETCHER. Very well.

Mr. GALLINGER. I suggest to the Senator to let the matter rest as it is.

Mr. FLETCHER. I will not press it. I will leave it where it is.

Mr. NORRIS. Before the Senator leaves that subject, I understand the motion to reconsider has prevailed. That now brings the original motion before the Senate. Does the Senator intend to let it stand in that way?

Mr. FLETCHER. As it now stands, the order of the Senate is that the vote be reconsidered whereby that order was agreed to. Therefore the order itself is pending.

Mr. NORRIS. Yes; but the motion itself is now before the Senate, after we have voted to reconsider the vote by which it was adopted.

Mr. FLETCHER. It is now before the Senate.

Mr. NORRIS. The motion stands now just as it did on the original order which was voted on, and it ought to be disposed of one way or the other, ought it not?

Mr. FLETCHER. I was proposing to dispose of it, but, upon objection being made, I am prepared to leave it just as it stands.

Mr. NORRIS. If it is wrong, we ought to vote it down, but it seems to me that it is now in a peculiar light, with a motion pending before the Senate, which always will be pending, unless we dispose of it one way or the other.

Mr. FLETCHER. I am willing to have it put on the calendar under Rule IX, and I ask that it go to the calendar under Rule IX, Mr. President.

The VICE PRESIDENT. Without objection, it will go to the calendar.

RURAL BANKING AND CURRENCY REFORM.

Mr. FLETCHER. I ask unanimous consent to have printed as a public document an address by Charles Hall Davis, of

Petersburg, Va., delivered at Lake Toxaway, N. C., July 12, 1913, before the South Carolina Bankers' Association, on the subject of rural banking and currency reform (S. Doc. No. 140), and also to have printed as a public document an address, likewise delivered by Mr. Davis, at Asheville, N. C., on the occasion of its seventeenth annual convention, before the North Carolina Bankers' Association and representatives of the committees on rural finance of the various State bankers' associations of the Southern States (S. Doc. No. 141).

Mr. SMOOT. I should like to ask the Senator from Florida how many public documents have already been printed upon this one subject?

Mr. FLETCHER. These are the only documents which I have offered to be printed on this particular subject; and, so far as I know, this is the only discussion of any specific plan for the establishment of rural banks in this country. I desire to have the matter in shape for the committees that are considering at present the banking and currency bills which are pending. I think these addresses are valuable contributions to the subject, and I know of no subject of greater importance, especially to the agricultural people of the country, than the subject of agricultural banks and cooperation.

Mr. SMOOT. Mr. President, my memory is that there have been a great number of articles upon this identical subject printed as public documents; and, if I am not mistaken, they would form a large book if they were all brought together. I am not going to object to the printing of these two addresses, but I believe the time has arrived when we should refuse to print as a public document every speech which is delivered upon this subject.

Mr. FLETCHER. I agree with the Senator from Utah, and I am very careful about asking for the printing of public documents. I know the study that Mr. Davis has given this subject and I know the work he has spent upon it. A part of it has been at my request and suggestion. I know how thoroughly he has gone into it, and I know that this is a very valuable contribution, bringing the subject up to date.

Mr. CRAWFORD. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from South Dakota?

Mr. FLETCHER. I do.

Mr. CRAWFORD. The Senator will permit me to remark that while there is a vast amount of literature, monographs, and treatises, making a large library, collected by the Monetary Commission and from other sources, there is comparatively little in all that collection which relates to cooperative farmers' banks. It is a question of wide interest; one toward which the public is looking for information; and comparatively the literature is scant. I think a commission is now investigating that system abroad. I therefore hope the Senate will not be illiberal in allowing documents upon that particular subject to be printed.

Mr. FLETCHER. There have been various reports made and bulletins and documents printed; but, as the Senator from South Dakota suggests, the literature on this particular phase of the matter is very limited and very meager, I must say. The commission which spent three months studying this subject in certain European countries where systems which have been of vast benefit to the agricultural development of those countries are in operation is on its way home and will arrive in New York next Saturday, after spending months in the study of the subject; and this is in line with their work.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New Hampshire?

Mr. FLETCHER. I do.

Mr. GALLINGER. I do not propose to antagonize the request of the Senator from Florida, but I should like the Senator to state who Mr. Davis is and what his qualifications are.

Mr. FLETCHER. Mr. Davis is a distinguished lawyer of some twenty-odd years' experience, residing in Petersburg, Va. He has had such experience as acquaints him with this particular subject, I think, in a way that makes his work quite important.

Mr. GALLINGER. I simply desire to add that I presume during the last three months I have received through the mail at least 25 "sure cures" for currency evils, and I have in several instances been requested to ask that they be printed as public documents. I neither have read the documents which have been sent to me, nor have I made the request that I was asked to make.

While I think this contribution may be of sufficient consequence to have it printed as a Senate document, yet I am constantly impressed, as I sit here from day to day, with the feeling that we are printing a great deal of material that is of very little concern to the Government or of advantage to us as legislators.

Mr. President, the Senator vouches that Mr. Davis, while a lawyer, has given great study to this problem, which is one of banking in a certain direction, and I certainly will not object to the printing, but will only warn the Senate that I think they are running riot in this matter of printing the opinions of all sorts and conditions of people on every possible subject under the heavens.

Mr. FLETCHER. I quite agree with the Senator, Mr. President, in general, and I wish to be careful in that direction myself. I know that these addresses were prepared with great care by Mr. Davis, at the request, in one instance, of the North Carolina Bankers' Association, and, in another instance, at the request of the South Carolina Bankers' Association, and they are, I think, quite important.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Nebraska?

Mr. FLETCHER. I do.

Mr. NORRIS. I should like to inquire of the Senator from Florida if in these addresses there is set out any specific statute of foreign countries where this system of banking has been in vogue in the past, and whether any concrete form of statute is suggested in either of the addresses?

Mr. FLETCHER. There are no statutes of foreign countries set out in either address; but there is a proposed plan which is outlined and developed and the reasons given why that plan would be effective.

Mr. NORRIS. I am very glad to hear the Senator say that, because in my investigation of this subject, which has been as exhaustive as I have had time to make it, I have not found in the literature in reference to the matter what I deemed to be practical suggestions that would assist in framing any legislation on the subject. I believe it is of great importance, and I am convinced that in other countries they have developed in this respect to the benefit of the agriculturists. I think we might well study it, and I welcome any suggestion from any honest source looking to some practical legislation on the subject.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida? The Chair hears none, and the addresses referred to by him will be printed as public documents.

ADDRESS OF R. C. MILLIKEN.

Mr. SHAFROTH. Mr. President, a few days ago I asked unanimous consent that an address by Mr. R. C. Milliken relating to the question of banks and bank currency be printed in the RECORD. It was at that time objected to by the Senator from Minnesota [Mr. CLAPP], but he has informed me since that he desired to withdraw his objection. Therefore I ask unanimous consent that the address be printed in the RECORD.

Mr. GALLINGER. Mr. President, I will ask the Senator from Colorado who is the author of the address?

Mr. SHAFROTH. Mr. R. C. Milliken.

Mr. GALLINGER. What are his qualifications to discuss the subject?

Mr. SHAFROTH. He is somewhat of a specialist on matters relating to finance. I have read the address, which is a very able one. I will say to the Senator from New Hampshire that I have also received a great many documents on this subject from various persons, one of which proposes to issue \$5,000,000,000 of currency, and another which proposes to make the standard of value the kilowatt hour, but of course I have not asked that they be printed in the RECORD.

Mr. GALLINGER. Mr. President, the Senator from Colorado undoubtedly knows that the experts on finance who are flooding us with these documents are about as numerous as the autumnal leaves of Vallombrosa, and they are confusing a good deal the minds of those of us who take the trouble to read them. But if the Senator feels that this gentleman is really an expert and that his opinions are worthy of more than ordinary consideration I will not object to the request.

Mr. SHAFROTH. Mr. President, it has been suggested to me that I ask that the paper be printed as a public document, instead of being printed in the RECORD, and I change my request to that extent.

Mr. HITCHCOCK. Mr. President, I shall have to object to the address being printed as a public document. I think there may be a reason, if the Senator desires it personally, to have it in the RECORD, but I object to having it printed as a document.

Mr. SHAFROTH. Very well, then, let the request stand that it be printed in the RECORD.

The VICE PRESIDENT. Is there objection to the address being printed in the RECORD? The Chair hears none, and that order is made.

The matter referred to is as follows:

Address of R. C. Milliken, monetary statist of Washington, delivered under the direction of the educational bureau of the Young Men's Christian Association, April 11, 1913, entitled "The views of President Jackson respecting the so-called central bank."

I very much doubt if the views of any really prominent public man on so vital a question were ever more misunderstood than those of President Jackson respecting the so-called central bank. He favored the principle of a central bank, but opposed and destroyed the institution which failed to carry out the purposes of its creation. I direct your attention to the language used by him in his celebrated message to Congress of July 10, 1832, in which he vetoed the act to recharter the United States Bank. He said:

"A bank of the United States is in many respects convenient for the Government and useful to the people. Entertaining this opinion and deeply impressed with the belief that some of the powers and privileges possessed by the existing bank are unauthorized by the Constitution, subversive of the rights of the States, and dangerous to the liberties of the people, I felt it my duty at an early period of my administration to call the attention of Congress to the practicability of organizing an institution combining all its advantages and obviating those objections. I sincerely regret that in the act before me I can perceive none of those modifications of the bank charter which are necessary, in my opinion, to make it compatible with justice, with sound policy, or with the Constitution of our country."

WHAT PLAN DID JACKSON HAVE IN MIND TO RECOMMEND TO CONGRESS?

That language is too clear for argument. He admits favoring the principle. He was called on to approve or veto a specific act to recharter a particular bank which had already forfeited its right to exist. It was not incumbent on him to set forth in that veto message the specific provisions which such a charter should contain for the protection of the public interests. He need not have said he believed such an institution was "convenient for the Government and useful to the people." However, he did not stop with that gratuitous admission, but went further and said he felt it was his duty at an early period of his administration to submit a plan to Congress which not only would obviate the objections of the charter he vetoed, but combine the advantages which would render it an instrumentality for the public good.

It shall be my object this evening to point out to you, in the light of the history of those times, the plan which I believe Jackson had in mind to submit to Congress. It was "at an early period" of his administration that he says this "duty" manifested itself to his judgment. It becomes necessary, therefore, to consider some of the events of that period. Two years before he was inaugurated President there was published in London a most important treatise on banking, one which to this day is a standard authority on banking in every country having international commerce. It gave to its author, James W. Gilbart, F. R. S., great renown as a monetary thinker. It made him so famous that some of the ablest financiers of the British metropolis supplied him with funds and induced him to return to that city of his birth and early banking experience and organize the first of the London great joint-stock banks. No greater compliment was ever paid to a thinker than that compliment paid to Gilbart by those London capitalists. It is no easy matter to induce capital to finance a new project, but it is well-nigh impossible to induce capital to engage in a lawsuit, and that is just what Gilbart's project meant. He had to destroy the monopoly then enjoyed by the Bank of England before he could put his principles into operation. What a fight he made! It was against the most powerful corporation in the world at that time, the Bank of England. In the beginning he had no influential persons to aid him, but after fighting in all the courts of England, though losing his legal battle, he so educated the public that Parliament came to his rescue and destroyed the monopoly of the Bank of England, and then it was that Gilbart came into possession of his rights—the right to do a necessary and useful business in a free country.

Jackson was not a monetary expert—that is, he did not possess accurate detailed information on monetary affairs, on which he had given deep and sustained thought—something which carries a conviction that makes a man fight to the last ditch, as Gilbart did. But it is most unreasonable to suppose that some of the political economists of this country failed to direct Jackson's attention to the principles advocated by Gilbart, for those two great men had one important interest in common—the destruction of bank monopoly. I believe that Jackson "at an early period of (his) administration," when his attention was first directed to Gilbart's philosophy, had it in mind to recommend to Congress the principles advocated by that great philosopher of credit, but as his time was engrossed with other important public duties those early-formed views—not convictions—passed from his mind. He doubtless retained enough to be convinced he was thoroughly justified in vetoing that act to recharter his implacable foe, the United States Bank.

HOW GILBART'S PHILOSOPHY MUST HAVE INFLUENCED JACKSON'S MIND.

It is necessary, therefore, to call attention to some of the important truths announced at that time by Gilbart. He contended that the merchant was the permanent regulator of the interest on money, the immediate regulator being the proportion existing between the supply and the demand. This is what he wrote:

"Sir Josiah Child, in his excellent essay on Trade, accuses the 'new-fashioned bankers' of being the main cause of keeping the interest of money at least 2 per cent higher than otherwise it would be; for by allowing their creditors 6 per cent they make moneyed men sit down lazily with so high an interest and not push into commerce with their money, as they certainly would do were it at 4 or 3 per cent, as in Holland. This high interest also keeps the price of land at so low as 15 years' purchase. It also makes money scarce in the country, seeing that the trade of bankers being only in London, it very much drains the ready money from all other parts of the kingdom."

That we may be able to judge of these accusations, it will be necessary to make some observations upon those circumstances which influence the rate of interest.

It has been the opinion of most of our political economists that the rate of interest is regulated by the rate of profit. This sentiment has, however, been attacked. It has been contended that the rate of interest is not influenced by the average rate of profit, but by the moneyed capital in the market, compared with the wants of borrowers. In other words, that the price of money is influenced by the proportion between the demand and the supply.

This sentiment is undoubtedly right, but it does not overthrow the proposition against which it is advanced. The price of money or of the loan of money is, no doubt, like the price of other commodity, regulated at any particular time by the proportion between the supply and the demand. But does not the rate of profit regulate the supply and the demand? Will any commercial man borrow money when he must give a higher interest for it than he can profit by its use? Or will any man lend money at a very low interest when by engaging in business he can make a very high profit? It is true that on particular occasions and under particular circumstances some individuals may do this, but not permanently and universally. It is obvious, then, that a high rate of interest in proportion to profits increases the supply of money and diminishes the demand, and a low rate of interest in proportion to profits increases the demand for the loan of money and diminishes the supply. The rate of interest, therefore, is ultimately regulated by the rate of profits.

When we say the price of cotton is regulated by the cost of production, we do not mean to deny that the market price of cotton is fixed by the proportion between the demand and the supply. On the contrary, this is admitted; but, then, it is contended that the supply itself is regulated by the cost of production. If the market price of cotton were so low as not to furnish the grower a fair average of profit on the capital employed, then would capital be removed after a while from the cultivation of cotton to some other employment? And if the price of cotton were so high as to furnish more than a fair average of profit, then after a while more capital will find its way into that employment, the supply would be increased, and the price would fall; but it is only by influencing the supply that the cost of production may be the same for a number of years, the price may be perpetually varying. The price may from a variety of causes be in a state of constant vibration; but it can not permanently deviate on one side or the other much beyond the line marked out by the cost of production.

It is the same with money. It is subject to perpetual fluctuations from the proportion between the demand and the supply, but it does not deviate far from the line marked out by the rate of profit. For the rate of profit not only influences the supply (as with cotton), but also influences the demand.

The above reasoning is founded on the supposition that those who borrow money borrow it for the purpose of investing it in trade, or of making a profit by its use. But this is not always the case, and is never the case with the government of a country, who always borrows for the purpose of spending. Now, we can form a judgment as to what portion of his profits a merchant is willing to give for the loan of a sum of money, but we can form no judgment as to the conduct of a profligate rake who wants money to spend on his follies. A king or a government is in the same state.

They will borrow money as cheaply as they can; but at all events money they will have. We can not therefore infer that, because Charles II gave at times to the new-fashioned bankers 30 per cent for money, the average rate of profit exceeded 30 per cent. May not, then, those advances to the king have had the effect of raising the interest of money and thus justify the accusations of Sir Josiah Child?

When a number of commercial men borrow money of one another, the permanent regulator of the rate of interest is the rate of profit; and the immediate regulator is the proportion between the demand and the supply. But when a new party comes into the market, who has no common interest with them, who does not borrow money to trade with but to spend, the permanent regulator (the rate of profit) loses its influence, and the sole regulator is then the proportion between the demand and the supply. The loans to the king created a much greater demand for money, and the rate of interest consequently rose. These demands were so great an amount and were so frequently repeated that the rate of interest became permanently high. Many individuals would no doubt (as Sir Josiah Child states they did) withdraw their capital from trade and live upon the interest of their money. And others who were in business would employ their superfluous capital in lending it at interest, rather than in extending their business. Those commercial men who now wanted to borrow money must give a higher interest for it than they did before. To enable themselves to do this they must charge a higher profit on their goods. Thus, then, in the artificial state of the money market it appears reasonable to suppose that the rate of interest may have regulated the rate of profit, instead of the rate of profit regulating the rate of interest, which is the natural state.

CLASS OF MERCHANTS WHO ARE PERMANENT REGULATORS OF INTEREST RATE.

Gilbart was very clear in all his statements, and left nothing to conjecture as to the class of merchants who are the permanent regulators of the interest on money, namely, those merchants buying reasonable articles for a consumptive rather than a speculative demand. Listen to what he wrote on that:

"Between the producer and the consumer of any commodity there are generally two or more parties, who are merchants or dealers. The demand for any commodity is either a speculative or a consumptive demand. The demand by the consumers who purchase for immediate use is always a consumptive demand. But if the commodity purchased be not intended for immediate use, but is purchased at any given time merely because the purchaser apprehends that its price will advance, then is that demand a speculative demand. So if a merchant purchase of a manufacturer or a farmer such a quantity of commodities as in the ordinary course of his trade he is likely to require, that demand may be considered a consumptive demand; but if in expectation of a rise in price he fills his warehouses with goods for which he has no immediate sale, then is that demand a speculative demand. A speculation, then, is that kind of traffic in which the dealer expects to realize a profit, not by the ordinary course of trade, but by the intervention of some fortuitous circumstance that shall change the price of the commodity in which he deals.

"A speculation in any commodity, therefore, is occasioned by some opinion that may be formed of its future price. It is well known that the price of commodities is governed by the proportion that may exist between the supply and the demand. Whatever increases the supply or diminishes the demand will lower the price, and, on the contrary, whatever diminishes the supply or increases the demand will advance the price."

When Gilbart thus wrote, the Bank of England, like the United States Bank, was controlled by bankers who were selling credit for profit and not as the permanent regulator of the interest rate, as is the practice with that institution at present. Before the Bank of England became a real bank of commerce panics occurred with the same frequency in the United Kingdom that they do now in the United States.

THE VOTING UNIT IN CONTROL OF THE HEAD OF THE CREDIT SYSTEM.

In considering the control of any corporation, especially the head of the credit system, we should not begin with the executive officers or the directors—the legislative body—but must go to the very source of control, the flesh and blood which elect the directorate, because the director of a corporation is a business politician and may be relied on to execute the will of those electing him to office. The amount of bank stock required to qualify the electors—voting units—of the central banks of England, France, and Belgium are charter provisions, but the other qualifications are regulated in other ways, usually by by-laws. The bank-stock interest of the Bank of England elector is \$2,500 (500 pounds); the Bank of Belgium's is \$2,000 (10,000 francs); while the electors of the Bank of France comprise its 200 largest stockholders not possessing some disqualifying interest. Those bank stocks are at a premium, so it requires an expenditure of \$8,140 to purchase an electorship in the Bank of England and \$8,685 in the Bank of Belgium.

"GREAT MERCHANT" QUALIFICATION OF THE VOTING UNIT.

The other qualification of the Bank of England elector is the "great merchant" who does not possess some antagonistic interest, namely, a "great merchant" who is not engaged in speculative enterprises or the sale of bank credit for profit. The amount of mercantile interest required to make an English merchant a "great merchant" in the estimation of those in control of that institution is difficult to ascertain; in fact, it varies; but I do not believe the least of those "great merchant" electors has less than \$100,000 invested in the mercantile business. Each elector has just one vote for the governor and directors. So that 500 pounds of bank-stock interest gives an elector as much voice in control as would 5,000,000 pounds. Not one of those European central banks is stock controlled, their stock being used as one, but by no means the most important, qualifying factor. No class is more interested in the stability of values than those merchants who deal in seasonable articles for a consumptive demand. No other class is more injured by panics. To illustrate this we have but to direct attention to the actual experience of London during the 1907 panic. At that time one of the great banks of that city was in dire distress for immediate cash resources, and not one of its rivals would aid it; but the Bank of England, single handed and alone, went to its rescue and furnished it with all needed assistance. There was absolutely no patriotism in that act on the part of the Bank of England. They knew if that bank failed, a panic might ensue, and the injury resulting to their business would be incalculable, for they were the owners and possessors of large stocks of seasonable merchandise, the styles of 1907-8, which had to be disposed of during that season and not the following season when they would be supplanted by new styles. It was, therefore, to the selfish interest of those "great merchant" electors to use the credit of the Bank of England for the public good. They did not do that with their own wealth; they acted as trustees for the public. There are approximately 300 electors and more than 18,000 stockholders of the Bank of England, just 200 electors and more than 30,000 stockholders of the Bank of France, and 528 electors and more than 10,000 stockholders of the Bank of Belgium.

THE INFLUENCE OF GILBART'S PHILOSOPHY ON THE CONTINENT.

There is no comparison between the central bank of Jackson's time and that of to-day. Previous to the announcement of Gilbart's philosophy the public did not know the *raison d'être* of that institution, and in consequence of that ignorance the central bank's greatest menace was the ambitious war lord. Why, had it not been for the French victory at Austerlitz the French people would have been ruined financially, just as they had been ruined on two previous occasions by war lords, because Napoleon, just before engaging in that campaign, virtually drained the Bank of France of its gold reserve. He left only \$150,000 at a time when the bank had 65,000,000 francs of demand obligations outstanding. Only a few years before this French incident, in 1797, we find the British war lord also looking on that institution as the engine of state rather than an instrument of commerce. During that year the Pitt ministry forced the Bank of England, against the solemn protest of its officers and directors, to make the Government a \$5,000,000 loan with which to wage war against France. Such loan emptied the bank's vaults of gold. In an attempt to compensate the bank for that act of force the ministry induced Parliament to make the bank's notes a legal tender in the payment of debts. Here was the British Government for the first time in its long and eventful history of sound finance attempting to make money out of pieces of paper. What was the result of that act of repudiation? Loss of public confidence in the ability and good faith of the bank to redeem its obligations in gold. Of course, its notes fell below par and there remained for nearly a quarter of a century. Parliament tendered the same paternalistic aid of repudiation to the Scotch banks, but their officers had the good sense to decline it, and in consequence their notes remained at par with gold during the whole of the devastating Napoleonic wars.

But after Gilbart turned on the light of truth, public sentiment changed respecting the control of that important financial institution, for instead of looking to the State as the only safe guardian of commerce, they now look to the most potent force of human nature—self-interest. Keep the most important instrument of commerce free, and the citizens will make the wherewithal to protect the Government in its distress, but shackle that instrument and you deprive the citizens of the opportunity to aid their Government in time of need.

CENTRAL BANK THE MOST IMPORTANT BUT NOT THE ONLY FACTOR TO THE SUCCESS OF THE CREDIT SYSTEM.

Please don't understand me as contending that a properly controlled head of the credit system will cure all the financial ills of any country. I simply claim it to be the most important factor of the credit system. Credit has as much influence on prices as gold. In other words, an expansion of credit by \$100,000,000 has as much influence on prices as an addition of \$100,000,000 to the quantity of gold. It matters not whether the credit instrument employed to bring about such expansion be bank notes, deposits, bills of exchange, promissory notes, or any other evidence of credit, the effect on prices will be precisely the same. John Stuart Mill says, "Money and credit are exactly on a par in their effect on prices." Henry Dunning Macleod, the great Scotch philosopher of credit, says:

"It is perfectly acknowledged that credit produces exactly the same effect on prices as gold. And it has been shown by authentic statistics that in modern times gold only forms about 1 per cent of the circulating medium of currency; and to suppose that a variation to the small extent of a fraction of 1 per cent in the amount of the circulating medium, or measure of value, could produce the effect so popularly attributed to it is wholly beyond reason."

Go to a store and buy an overcoat, and you thereby remove that one article of commerce from the market and, pro tanto, cause an advance in the price of that article, and the effect is precisely the same whether you pay for it in gold or obtain it on credit. That credit may be evidenced by your open account with your merchant, by your promissory note executed in his favor, by a bill drawn by you on some of your debtors or a person who has agreed to accept it, by your check on your bank or a bank note. The effect will be the same whether you use one or the other of those credit instruments or pay for that overcoat in gold. The cause for the advance in the price was your consumption of that article. Any credit system, therefore, which facilitates the production of commerce or restrains overconsumption is a good system, and any credit system which does not afford ample facilities for the production of commerce or which fails to restrain overconsumption is a bad system.

In conclusion, let me say that as credit is on a par with gold in influencing prices—influencing them downward when used for production and upward when used for overconsumption; as the production of commerce is an absolute necessity to civilized man's existence and overconsumption an evil which should be restrained; as credit has about ninety-nine times greater influence than gold in affecting prices—does it not follow, then, that we should have one credit institution in this country whose sole mission it is to facilitate the one and restrain the other of those conditions? Without such an institution commerce will not only suffer for lack of ample facilities, but panics will continue periodically to wipe us off the financial map. I believe it was such an institution which Jackson thought was "useful to the people," and which he felt it his "duty" to recommend to Congress. If such a corporation was thought to be "useful to the people" in Jackson's time, when there was not a single hundred million dollar corporation in the country, what about it now, when hundred million dollar corporations are so numerous no one can count them offhand? Ask the average life insurance agent you chance to meet to name the hundred million dollar corporations engaged in his business, and I venture the assertion that not one out of ten can give you a correct reply without referring to a pocket index, yet that is a class of corporation unknown to the American people in Jackson's time. All have been organized since then.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321, being the tariff bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. WORKS. Mr. President, I want to say in the beginning that, considering the state of the weather, to say nothing of the uninteresting character of what I am about to say, I shall not complain of any Senator who seeks a more comfortable place than this Chamber. I am sorry, under the circumstances, to burden the Senate with a speech, and I would not do so, except out of a high sense of duty to the people of my State.

I regret exceedingly that the Democratic Party could not or would not formulate a just and reasonable tariff measure that would afford fair and equitable protection to American industries and at the same time furnish the needed revenue for the Government. If this had been done, I should have been willing and glad to support it.

I am not much of a partisan. A political party means nothing to me, except as it represents fundamental principles of government in which I believe. Therefore, I would have supported a measure of this kind coming from the Democratic side of the Senate just as readily as I would if it had come as a Republican measure.

It has been said by the chairman of the Committee on Finance that in arriving at the rates of duty fixed by the pending bill the question of protection was not considered. There could be no stronger proof of the truth of this statement than the rates that are fixed upon the products of the State of California. The Senator from Iowa [Mr. CUMMINS], in a very able review of this bill, shows that 51 per cent of the things produced in my State are made subject to duty; but, sir, this is for revenue only and not for protection, as I shall proceed to show.

California occupies a peculiar position in respect of tariff legislation. She produces what is not found in any other section of the country. Her chief products are not grown in any other State in the Union. Therefore, there is no Senator upon this floor, except my colleague, who has any direct interest in the effort I am about to make to protect my State from ruinous legislation. It is for that reason, Mr. President, that I have felt it my duty to devote myself at this time to a discussion of the effect of this bill, if it shall become a law, upon the products of my own State.

In what I am about to say there will be included much in the form of tabulated figures and communications from others giving facts and data with respect to the subject concerning which I am about to address myself. I do not desire to take up the time of the Senate unnecessarily, and, therefore, I ask in the beginning, Mr. President, unanimous consent that I may, as I come to these documents, include them as a part of my remarks without reading.

The VICE PRESIDENT. In the absence of objection, permission to do so is granted.

LEMONS.

Mr. WORKS. The question of the tariff on citrus fruits is a question of right and justice and not of expediency or of politics, just as it is in case of any and every domestic product, whether it be a farm product or one of manufacture. Any attempt to use it for political or partisan advantage, no matter by whom, or how tempting such a use of it may seem, is a wrong to parties immediately and directly interested, a breach of duty to the Government, and a violation of a public and official obligation. If the lemon industry needs and is entitled to a duty under the doctrine of protection, for which the Republican Party stands pledged, no Republican Senator can consistently vote to deprive it of that right. If the tariff is a source of revenue to the Government and it seems to be just, no Democrat can vote to deny the industry this just protection if he believes in a tariff for revenue only and is not an out-and-out free trader.

The question is one between the fruit growers of our own country, who are by their energy and industry and the expenditure of millions and millions of dollars adding to the material wealth of the country, and foreign producers, importers, and their agents and brokers, who contribute nothing to the upbuilding of the Nation. It is a question between the men who pay the taxes and spend their money, derived from their business, here with us, and the foreign producer, who pays no taxes and takes the money derived from what he sells to a foreign country and spends it there. It is a question between an industry that supports and maintains hundreds of American families, drawn from every State in the Union, and pays American wages, and a foreign industry that feeds no mouths in this country and pays the pauper wages of a foreign country. To this it is answered that by the tariff the price of lemons is increased, that they are necessary for the use of the sick and the poor, and that therefore the tariff is an injustice to the consumers in our own country.

Mr. President, I propose to present this question, not as a political question, not as a plea for the upbuilding of an industry in my own State at the expense of any other industry or without reference to the rights of the public or the consumer, but strictly as a question of right and justice to all parties concerned. Therefore I expect to show by the evidence and data which I shall submit for the consideration of the Senate:

First. That this industry needs and must have a tariff if it is to continue.

Second. That such a tariff as is now imposed has not and will not increase the price of lemons to consumers.

Third. That the increased tariff now imposed has not decreased, but has, in fact, increased the revenue to the Government derived from the tariff.

I am impressed with the belief that Members of Congress, as a rule, have very little conception of the extent and importance of this industry, not only to the State of California, but to the whole Nation, and but little understanding of the time and money necessary to bring a lemon orchard to bearing, or the skill and care and risk of producing and marketing the fruit. For that reason I am going to trespass upon the time and patience of the Senate in the effort to describe the conditions in my own State as to the present extent and importance of the industry and the facilities in the way of other suitable lands and supply of water for its extension, and give some account of the manner of growing, curing, and marketing the fruit, the expense involved and the risks to be met in the growing of the trees, and the production and marketing of the fruit. I do this partly for the information of Senators that they may act more intelligently in dealing with the question, partly to establish the right of the fruit growers to the present tariff rate, and partly because it has been claimed in some quarters not only that this country is not now producing sufficient of such fruit to supply the market, but that it never can.

The first of these claims is well founded. This country is not now producing sufficient lemons to supply our home market. Therefore it must be conceded that no tariff should be imposed that would prevent the importation of foreign-grown lemons. But the second claim, namely, that this country can not meet the demand of the home market in the future, is not well founded. It is well understood that only a comparatively small area of this country is adapted to the growth of citrus fruits because of the adverse climatic conditions. In what I am about to say on this subject I shall speak of my own State only, and I can do that better by submitting data covering the present acreage in bearing lemons, the planting not yet matured, the area of land in the State adapted to the growth of lemons if the industry is properly fostered and protected and the estimated output of lemons from this area.

In this connection I desire to say not only with respect to data bearing upon this particular subject, but as to all data used in what I shall say, that it has been gathered by thoroughly competent and reliable men under strict instructions from me to endeavor to arrive at the facts when available, and where estimates were necessary to keep within strictly conservative and safe lines, so that I might be rightly informed and be able to vouch for the truth, accuracy, and conservatism of the information I might attempt to impart to others. In gathering this information I have, wherever possible, procured the services of men with whom I am personally acquainted and upon whose competency and reliability I could depend. And as to most of the data furnished, it has been taken directly from the books of the fruit growers, not made or kept for this purpose, but in the daily conduct of their own business.

These data in respect of this branch of the subject show—

First. Number of acres of lemons in bearing, 24,443.

Second. Number of trees in bearing, 1,833,011.

Third. Number of acres planted to trees not yet in bearing, 8,001.

Fourth. Number of trees not yet in bearing, 600,095.

Fifth. Number of acres of land in California adapted to the growth of lemons not yet planted, probably not less than 95,000.

Sixth. Number of acres planted to lemons during last year, 2,000.

Seventh. Estimated annual planting, in acres, for the last five years, 1,000 to 3,000 acres.

Eighth. Average yield of lemons per acre, 200 boxes from the well-cared-for orchard, 100 boxes per acre from all trees in the State.

These data, which may be relied upon, show that with the present planting in California alone the annual output may be relied upon as not less than 2,800,000 boxes; and with the total acreage of available land planted to lemons, which may be depended upon if the industry is reasonably and properly protected against ruinous foreign competition, will be not less than 10,000,000 boxes.

To arrive at correct results in meeting the claim that the production can never meet the demand, we should next look to the quantity consumed. This information is easily obtainable from different sources, among others, Commerce and Navigation of the United States, Department of Commerce, for imports of lemons, the official railroad records showing shipments from California, as published in the Monthly Summary of Commerce and Finance of the United States, Department of Commerce, which show that the consumption of lemons, grown at home and abroad, reaches approximately 4,000,000 boxes per annum. It will be readily seen from these figures that with its available land adapted to the growth of lemons planted to that fruit California alone will be able to supply the home market with all the lemons needed and that very soon.

Mr. President, the importance of this industry to the country at large can not be overlooked or denied. If there is any industry in this country that should receive the favorable consideration of the Congress of the United States it is one like this that must be protected from foreign competition to live and which brings and keeps the people out of the city and on the farm. In this connection another claim that is urged against the California fruit grower, that he does not employ native help but resorts to foreign cheap labor, should be met. The conditions in California have been peculiar. Chinese and Japanese laborers have in past years found their way into our State against the earnest efforts of our own people to keep them out. They have, to some extent, supplanted white labor in the growing and marketing of fruit in the State.

This condition has been forced upon the fruit growers in spite of them. They employ all of the white laborers that can be had and who are willing to do the work called for. Some of the growers, at least, have used every effort to induce native laborers to render the needed service. This has partially succeeded, and the skilled employees are white, and a large proportion of the ordinary laborers as well. The statistics show that about 85 per cent of the employees on the citrus-fruit ranches and in the packing houses are American laborers, and the percentage is increasing. There are about 3,500 orientals employed in a total of 25,000 laborers. It is no fault of the fruit growers, as a rule, that any foreign laborers are employed, as they prefer native white labor to any other. Surely it is in the interest of this country that American fruit ranches employing this proportion of American citizens should be maintained rather than the foreign producer employing none but foreigners.

HOW LEMONS ARE GROWN, CURED, AND SHIPPED.

With this passing notice of some of the objections made to a tariff on lemons, I pass to a showing of the manner of growing lemons, the skill and labor required in their growth, curing, and shipment, and the risks encountered in carrying on this important industry before taking up the comparative cost of production and marketing of the fruit in this country and abroad and the necessity of the tariff now imposed for the protection of our own growers.

The growing of lemons requires a peculiar combination of soil and climate found only in a limited area in this country. Only a part of the State, from central California south, is adapted to their commercial growth. It must be taken into account also that in the localities adapted to the growth of citrus fruits irrigation is necessary and adds to the cost of production. The ground must be carefully prepared in advance, and a system of irrigation provided. In most cases the water necessary for irrigation must be bought, thus adding to the original cost.

The trees are transplanted at the age of 2 years and begin to bear in about four years thereafter, reaching full bearing at about 8 years of age. During all this time the trees must be cared for, irrigated, pruned, and the ground cultivated. The grower receives no returns to meet this continual expense for four years at least from the time the ground is prepared for the trees and only a partial return for some time later. The harvesting of the crop is peculiar. Lemon trees are in bearing at all times of the year. The trees at all times bear fruit at all stages of growth from the bud to the full-grown fruit. Therefore picking of the fruit occurs at all times of the year. Ordinarily, in a well-regulated orchard, the fruit is picked 10 or 12 times every year. The time of picking does not depend on the ripening of the fruit, for lemons are always picked green. The time of picking depends on the size of the fruit, and that depends on the demands of the dealers and consumers of lemons. The size of the fruit is determined by the use of a ring of the required size. Every lemon too large to pass through this ring is ready for picking, and the harvesting and curing of the fruit is kept up all through the year. The process of curing and loading on cars for shipment is well described by an experienced grower as follows:

The lemons are delivered at the door of the packing house in field boxes holding approximately 42 pounds net of fruit to the box. Two men unload to insure easy handling and stack the fruit six boxes high, which is then weighed and trucked to its own section to await its turn to be washed. All lemons are washed, whether clean or dirty. They are then trucked to the washer, when box and all are lowered into the tank of water and the lemons allowed to float out of the box to eliminate any chance of bruising. This water contains a small per cent of copper sulphate, about 1 pound to a thousand gallons of water, to prevent poison brown rot or *Pythiactis citrophthaca* from spreading in the washer and infecting good fruit. There are several styles of washers in use, but we here speak of that known as the circular submerged.

Passing through the washer brushes the lemons are carried along on a wide canvas belt and are then separated into three grades: Dark green, light green, and tree ripe or yellow. These are carefully placed in boxes and stored in the curing house in tents. Here they are left for about a month and then examined for decay, when, if found necessary because of excessive decay, they are re-sorted and rots and contacts are taken out and the balance re-sorted. If necessary this process is repeated until time of shipment.

The tree ripe, being the weakest fruit, is sorted and shipped when from 10 days to 6 weeks old, the half or light green coming next, and the dark green being held until the demand warrants shipment.

From the curing tents the fruit is trucked to the sorters where it is graded and placed in wooden trays 2 feet by 3 feet by 3 feet deep, one layer of fruit to each tray, stacked so as to allow some ventilation and stored until wanted in the packing room.

When wanted it is trucked to the packing room and a stack placed at each packer's skid. The skids are 9 feet long having room for three sets of trays, and each skid having three packing stands holding boxes ready for packing and wrapping of the fruit.

Four trays are placed on one end of the skid and the packer selects the size that is to be packed in the box, usually a "three hundred," wrapped with tissue paper and placed in the box in rows according to certain rules, which when followed will give a box containing 300 lemons, all of uniform size and of the right height for proper transportation—the lemons usually being about an inch above the edge of the box.

When all of that size are taken from the tray the attendant, or "rustler," as he is known, places the partly emptied tray back one space on the skid and the packer repeats the process with the next tray, and so on. Then moving back to the next space the same process is repeated with the next size of lemon, usually the 360 size, etc., until the trays are empty; then moving again to the front of the skid, where a new supply has been placed, the process is repeated.

When the box is packed, the rustler carries it to the press skid, where the pressman, examining the box for defects in packing and finding it O. K., puts on the cover, and by the use of the steel press forces down each end of the cover and the fruit flush with the end of the box, using great care to see that the lemons are not caught and bruised, when a small strip of wood known as a cleat is then placed over the cover and the ends of the box and nailed down to hold the covers in place. Over the center of the box a strap of iron is fastened which holds the cover tight against the fruit, keeping it from shaking in the box.

The fruit is then trucked into the refrigerator car and loaded on end in rows two tiers deep, beginning at each end of the car against the bulkhead next to the ice tanks, leaving air space of about 3 inches between each row, the boxes being placed edge to edge. Each row is held in place by two car strips, pieces of lumber 1 inch by 3/4 inch by 8 feet long, which are nailed to the head of each box, and where necessary car strips are nailed between rows at center and ends of box to take up space in the car so as to make the tiers tight. Where such car strips are used, material 1 1/2 inches by 3/4 inch by 8 feet is necessary to keep from cutting the thin sides of boxes.

In the summer during the hot weather tree-ripe and fruit that is weakened from old age or other causes is iced in transit to prevent decay, but the bulk of the fruit from houses using the better methods is sent under ventilation and carries with but slight decay.

Every man or woman who touches a lemon is compelled to wear canvas gloves to prevent any scratching or bruising of the fruit. Each lemon is handled and examined individually seven times, once at time of picking, twice at washer, once at sorting, once at curing, and twice at packing, and is handled in bulk by 16 to 18 different men at different occasions, from picking to time of shipment.

All these processes are absolutely essential to the proper grading, curing, and shipping of the fruit.

This will show the extreme care necessary in handling and curing the fruit. It will be noticed that a full month's time is taken in curing the fruit and that every lemon must be separately handled not less than seven times. This renders necessary the employment of a large number of persons skilled in their work and a very large building or storage space for the boxes of fruit in process of curing. Some of the fruit is cured several months before shipment. I have seen the process in operation in its various stages, and to me it is extremely interesting. It results in the production in every market of this country of fruit of the finest quality.

COST OF PRODUCTION.

With this brief statement of how the fruit is produced, the skill and knowledge necessary to its successful production, and the risks attending it, I pass to a consideration of the cost of production. I do this because it is declared as the policy of the Republican Party that a tariff shall be imposed equal to the difference between the cost of production here and abroad, with a reasonable profit to the home producer. It is my purpose to compare the cost of production of lemons in this country and Italy, the chief competitor of the domestic producer, with the view of showing by actual figures the right of our lemon growers to the tariff now in force.

There is but little difficulty in arriving at the cost of production in this country. Most of the larger growers keep careful and accurate accounts of every item of expense that enters into the preparation of the ground, the planting and cultivation of the trees, irrigation, fertilizing, fumigation of the trees, and the picking, handling, curing, and shipment of the fruit, and the smaller growers have data from which the cost can be accurately determined. I have procured detailed and reliable accounts of these expenses from different growers upon whom I could rely, and shall submit them for the consideration of the Senate. The furnishing of accurate data as to the corresponding expense in foreign countries is more difficult. It is the policy of foreign growers to conceal the cost of producing and marketing their fruit, for the very good reason that a showing of such cost as compared with the cost in this country would show conclusively that a tariff on their imported fruit is absolutely necessary for the protection of our growers against the introduction of their cheaper grown and marketed product. Besides this, the foreign grower does not keep books of accounts of his expenses as is done by our own growers, and no official record of the cost of production in Italy, for example, is kept.

But there are certain items that enter into the cost of production that are easily obtainable, and they have been ascertained and furnished me for my use. To obtain this information and all data obtainable, a thoroughly capable and reliable man, having experience not only in the practical work of growing lemons but of the items of expense entering into their production, was sent by the fruit growers of California to gather this information. He had been for 10 years connected with the Agricultural Department of the Government; he had investigated the Italian lemon industry officially in 1908, an account of which was published in Bulletin 160, Bureau of Plant Industry—Italian Lemons and Their By-Products—and had peculiar facilities for ascertaining all that was to be had on the subject. It is my purpose to submit to the Senate the result of his investigations and the information obtained.

COST OF NEW PLANTING.

In considering the cost of production I shall take first the cost of new planting and then the cost of cultivation and care of the trees, including the picking of the fruit. In the effort to arrive at accurate results I have sought concrete cases, covering actual experience, furnished me by competent and reliable growers, who have kept accurate and detailed accounts of all expenses. The first that I shall advert to is a set of statements furnished me at my request by the San Diego Fruit Co., one of the large growers in San Diego County. These statements

are rendered by Mr. John E. Boal, manager of the company. I have known Mr. Boal intimately for 20 years, and for a large part of that time was closely connected with him and his company in a business way. He is thoroughly familiar with every branch and detail of the business of growing lemons, is thoroughly competent, and has been, as I know, painstaking and methodical in keeping accounts of every item of expense connected with the business that he has efficiently managed for many years. The figures he furnishes may be implicitly relied upon as coming from the books of his company, kept from day to day in the ordinary conduct of the business, and with no intention or expectation that they would be used for the purpose for which I am now using them.

I take first the statement of the cost of planting. He takes 11 orchards, accounts of which have been kept, ranging in size from 1 1/2 to 15 acres, giving the cost of planting each one of them to trees after the ground is prepared, then adds the cost of grading and preparing the land for the trees. In this connection it should be borne in mind that the grading and preparing the ground, so that it can be successfully irrigated by gravity, is an important part of the work of planting, involving no little skill and considerable expense, varying with the natural formation of the land that must be overcome. This table, after giving the number of the orchard, the number of acres in each, and the number of trees planted, segregates the expense under the heads of cost of trees, survey of the land, water, labor, and fertilizing, and gives the total in case of each orchard, and then gives us the total in each case. In order to arrive at the fair average cost each item is totaled in the footings. The result shows an average expense per acre of \$91, not including the preparation of the land. The item of grading and preparing the land, \$35 an acre, is then added, making a total of \$126 per acre as a first investment, not including the cost of the land itself. It is a very interesting and instructive table, that is worthy of the careful consideration of the Senate in dealing with this important subject. It is as follows:

Cost of new planting, 1911, by San Diego Fruit Co.

Orchard No.—	Acres.	Number of trees.	Cost.	Survey.	Water.	Labor.	Fertilizer.	Total.
9.....	2 1/2	158	\$126.05	\$5.00	\$8.75	\$16.21	\$5.62	\$161.63
31.....	2 1/2	237	177.60	5.00	8.75	34.21	9.37	234.93
32.....	4 1/2	351	278.25	10.00	15.75	58.90	13.12	376.02
33.....	6	491	370.72	35.00	21.00	133.57	18.75	579.04
78.....	9	712	580.31	12.50	31.50	207.63	26.25	858.19
80.....	15	1,072	963.91	19.00	52.50	346.18	39.46	1,411.05
83.....	8	591	443.25	5.00	28.00	149.88	22.50	648.63
85.....	4	262	209.60	2.50	14.00	52.44	9.84	288.38
105.....	1 1/2	108	77.25	.....	5.25	11.64	3.75	97.89
108.....	10	770	630.50	.....	13.50	259.67	29.05	932.73
111.....	13	1,199	910.21	25.50	45.50	301.38	45.00	1,327.59
Total..	76	5,946	4,787.65	119.50	244.50	1,571.71	222.72	6,916.05

Average cost of planting per acre..... \$91
 Add grading and preparing land..... 35
 Total..... 126

This will vary as the number of trees vary. This report shows average of 78 trees per acre. Frequently there are 90 trees planted per acre.

First year's care.....	\$38.50
Second year's care.....	42.50
Third year's care.....	57.50
Fourth year's care.....	95.00
Fifth year's care.....	115.00
	348.50
	126.00
	474.50

I submit also on this subject a letter from W. G. Fraser, general manager of the Arlington Heights Fruit Co., to G. Harold Powell, manager Citrus Protective League, and three attached statements of cost, segregated and itemized, which show the cost of bringing lemon groves into bearing. They are as follows:

ARLINGTON HEIGHTS FRUIT CO.,
 Riverside, Cal., October 6, 1911.

Mr. G. HAROLD POWELL,
 Manager Citrus Protective League,
 Consolidated Realty Building, Los Angeles, Cal.

DEAR MR. POWELL: We have carefully examined our old books and records to ascertain the cost of bringing our lemon groves into bearing, and we find that during the first few years of the company's operations the expenses upon the groves were not segregated in such a way that we can now prepare such a statement as you desire, as set forth in your letter of September 15.

In the year 1905 the Riverside Trust Co. (Ltd.) planted 163 acres of land to Eureka lemon trees, and our records have been kept in such a shape that we are able to furnish you with the information desired in your letter.

We are now furnishing you with three separate statements, numbered 1, 2, and 3.

No. 1 shows the cost of land and water, trees, fluming, plowing and leveling, planting, cultivation and irrigation, fertilizer, water dues, taxes, and management, covering a period of five years, after which the groves were self-sustaining. The average cost per acre as per statement No. 1 is \$721.33.

Statement No. 2 includes all of the items in No. 1, together with the proportionate cost of plant, including buildings, tools, implements, horses, etc. The average cost per acre as per statement No. 2 is \$803.33.

Statement No. 3 includes all of the items in Nos. 1 and 2, and in addition simple interest at 6 per cent, all of which brings up the average cost per acre to \$1,012.98.

We thought that we would furnish all three statements and that you could use such of them as you thought wise.

We trust that the inclosed statements will furnish you with the desired information. If they should not, however, kindly advise and we will endeavor to furnish you with such additional data as you may suggest.

Yours, very truly,

W. G. FRASER,
General Manager.

STATEMENT NO. 1.

Cost of bringing 163 acres of lemon groves into bearing, trees planted in 1905 by the Riverside Fruit Co. (Ltd.).

Year ended Sept. 30, 1905:		
Land and water, 163 acres, at \$450 per acre	\$73,350.00	
Plowing and leveling	\$1,017.36	
Fluming	4,310.31	
12,608 trees, at \$1	12,608.00	
Planting	957.04	
Cultivation and irrigation	107.53	
Fertilizing	71.40	
Water dues	87.17	
Total	19,158.81	
Management	113.80	19,272.61
Year ended Sept. 30, 1906:		
Cultivation and irrigation	1,238.72	
Fertilizing	1,361.79	
Water dues	804.65	
Taxes	369.92	
Other expenses	953.75	
Total	4,728.83	
Management	788.03	5,516.86
Year ended Sept. 30, 1906:		
Cultivation and irrigation	1,548.05	
Fertilizing	734.64	
Water dues	1,036.41	
Taxes	794.40	
Other expenses	536.78	
Total	4,650.28	
Management	1,777.29	6,427.57
Year ended Sept. 30, 1908:		
Cultivation and irrigation	1,967.99	
Pruning	205.15	
Fertilizing	2,522.25	
Water dues	978.00	
Taxes	773.51	
Other expenses	309.42	
Total	6,756.32	
Management	1,670.91	8,427.23
Year ended Sept. 30, 1909:		
Cultivation and irrigation	2,493.20	
Pruning lemons	125.35	
Fumigation (90 acres)	1,423.19	
Fertilizing	411.18	
Water dues	1,556.70	

Year ended Sept. 30, 1909—Continued.

Taxes	\$1,042.52
Other expenses	509.55
Total	7,561.69
Management	2,521.43
Total	123,077.39
Less crop returns 1908	1,069.50
Less crop returns 1909	4,431.06
Total	5,500.56
Total	117,576.83

Average, \$721.33 per acre.

STATEMENT NO. 2.

Cost of 163 acres of lemon groves, by the Riverside Fruit Co. (Ltd.).

Cost of land and water, at \$450 per acre	\$73,350.00
First year:	
Proportion of cost of equipment, building, stock, tools, machinery, etc., at \$82 per acre	13,366.00
Cost of planting, care, etc	19,272.61
Second year, cost of care, etc	5,516.86
Third year, cost of care, etc	6,427.57
Fourth year, cost of care, etc	8,427.23
Fifth year, cost of care, etc	10,083.12
Total	136,443.89
Less:	
Crop returns, fourth year	\$1,069.50
Crop returns, fifth year	4,431.06
Total	5,500.56
Total	130,942.83

Average, \$803.33 per acre.

STATEMENT NO. 3.

Cost as per statement No. 2	\$130,942.83
Interest at 6 per cent per annum:	
Five years on \$86,716	\$26,014.80
Four and one-half years on \$19,272.61	5,203.60
Three and one-half years on \$5,516.86	1,158.50
Two and one-half years on \$6,427.57	964.10
One and one-half years on \$7,357.73	662.20
Six months on \$5,652.06	169.56
Total	34,172.76
Total	165,115.59

Average, \$1,012.96 per acre.

COST OF CULTIVATION.

Taking up the question of the cost of cultivation and care of the orchards, I have two carefully prepared tables, coming from the same reliable source, covering the years ending October 31, 1909, and October 31, 1910, respectively. These, like the one already referred to, are taken from the actual accounts made in the ordinary transaction of the business and for business purposes only. For this purpose 26 different orchards are taken, ranging in size from 6 to 39 acres. The items of expense are segregated into cultivation, hoeing, irrigation, pruning, picking, treatment of scale, and water, all of which are totaled in each case. To this is also added office expenses prorated. Then, at the foot, the total of each item of expense for all of the orchards is given and the average cost per acre, showing the cost per acre for 1909 to be \$156.35, and for 1910, \$182.26, an increase of \$25.91 per acre. In case of the year 1910 the cost of picking, amounting to \$76.66, is deducted, in order to show the exact cost of cultivation of the trees.

I submit these two tables, as follows:

Statement of lemon expense per acre for year ending Oct. 31, 1909, by San Diego Fruit Co., National City, Cal.

Orchard.	Acres.	Cultiva- tion.	Hoeing.	Irrigation.	Pruning.	Picking.	Fertilizer.	Scale treatment.	Water.	Orchard total.	Office expenses prorated.	Orchard total.
No. 4.....	9½	\$135.90	\$53.36	\$119.44	\$1.72	\$566.47	\$243.39	\$138.21	\$99.75	\$1,358.24	\$94.83	\$1,453.07
No. 9.....	7	93.73	24.46	69.52	.35	450.41	188.01	109.59	49.00	985.07	69.88	1,054.95
No. 28.....	33½	458.22	33.82	603.88	4.70	1,830.92	788.15	3.05	234.50	3,957.24	334.35	4,291.59
No. 30.....	4½	77.05	29.20	47.31	.67	151.68	80.04	.....	40.25	426.20	44.92	471.12
No. 31.....	7	85.82	32.64	88.46	52.61	343.80	214.12	106.79	49.00	973.24	69.89	1,043.13
No. 32.....	19	212.46	14.73	231.72	119.24	926.47	466.98	539.56	98.05	2,609.21	189.62	2,798.83
No. 33.....	12	166.53	42.77	97.69	73.64	830.68	298.06	1.11	129.50	1,639.98	119.78	1,759.76
No. 51.....	19	312.70	91.99	150.45	227.52	1,528.10	684.29	1.76	133.00	3,129.81	189.64	3,319.45
No. 53.....	19	264.43	76.55	148.74	176.23	1,727.75	689.90	1.75	133.00	3,218.35	189.64	3,407.99
No. 54.....	39	566.98	166.25	333.86	420.37	2,857.35	1,699.32	1,371.33	273.00	7,688.46	389.24	8,077.70
No. 55.....	9½	146.18	33.16	253.89	55.94	1,071.71	356.27	364.91	66.50	2,348.56	94.82	2,443.38
No. 76.....	6	72.79	18.79	49.86	12.15	351.03	165.34	70.21	42.00	782.17	50.88	832.05
No. 78.....	12	149.62	39.95	110.69	29.45	824.29	365.16	176.41	84.00	1,779.57	119.77	1,899.34
No. 80.....	24	183.18	82.15	201.87	212.24	1,274.64	581.59	2.22	168.00	2,705.89	239.54	2,945.43
No. 83.....	8	157.89	42.24	139.89	101.33	389.74	300.91	171.25	61.25	1,364.50	79.89	1,444.39
No. 85.....	9	179.16	42.40	183.97	151.35	524.88	300.32	145.89	66.50	1,593.97	89.82	1,683.79
No. 86.....	9½	139.94	2.40	73.18	71.51	659.31	240.52	145.54	66.50	1,398.90	94.81	1,493.71
No. 101.....	19	245.14	68.84	289.20	88.24	1,070.74	394.50	1.76	133.00	2,291.42	189.63	2,481.05
No. 102.....	19	285.84	87.17	217.08	107.93	774.16	372.31	240.54	133.00	2,218.03	189.63	2,407.66
No. 108.....	8	88.88	27.99	70.98	52.40	420.02	208.76	113.47	61.25	1,043.75	79.85	1,123.60
No. 108.....	18	378.06	65.06	213.17	232.40	1,046.88	508.53	305.61	136.50	2,886.21	179.65	3,065.86
No. 111.....	6	85.57	11.69	80.35	30.37	251.50	175.15	76.92	49.00	760.55	59.88	820.43
No. 112.....	10	128.13	3.05	91.68	167.59	424.37	274.54	158.00	70.00	1,317.36	99.80	1,417.16
No. 134.....	19	336.53	59.62	287.60	100.03	853.30	163.83	305.84	492.95	2,599.76	189.62	2,789.38
No. 136.....	9½	190.33	31.51	89.00	40.53	365.90	242.33	109.55	66.50	1,136.30	194.82	1,331.12
No. 137.....	12	160.53	27.32	134.20	116.49	516.04	316.36	324.69	84.00	1,679.63	119.77	1,799.40
Total.....	368	5,301.59	1,209.11	4,378.28	2,647.11	22,031.64	10,318.68	4,985.96	3,020.00	53,892.37	3,672.97	57,565.34
Expenses prorated.....		361.33	82.41	298.39	180.42	1,501.54	703.25	339.81	205.82			
Total.....		5,662.92	1,291.52	4,676.67	2,827.53	23,533.18	11,021.93	5,325.77	3,225.82			57,565.34

Total packed boxes.....

Average number boxes per acre.....

88,765

244

Statement of lemon expense per acre for year ending Oct. 31, 1909, by San Diego Fruit Co., National City, Cal.—Continued.

SUMMARY.

	Total.	Average cost per acre.			
		1909	1910		
Cultivating.....	\$5,662.92	\$18.89	\$18.68		
Hoeing.....	1,291.52				
Irrigating.....	4,676.67				
Pruning.....	2,827.53				
Picking.....	23,533.18				
Fertilizer.....	11,021.93				
Scale treatment.....	5,325.77				
Water.....	3,225.82				
Increase, 1910.....	57,565.34			156.35	182.26
				25.91	
		182.26			

¹ Picking and hauling to house.

Average number of boxes per acre.....	244
Average cost per box in house.....	\$0.75
Average cost of packing.....	.533
Average cost per box on car.....	1.283

Statement of lemon expense per acre for year ending Oct. 31, 1910, by San Diego Fruit Co., National City, Cal.

Orchard.	Acres.	Cultiva- tion.	Hoeing.	Irrigation.	Pruning.	Picking.	Fertilizer.	Scale treatment.	Water.	Orchard total.	Office expenses prorated.	Orchard total.
No. 4.....	9½	\$143.52	\$15.75	\$50.66	\$107.27	\$621.59	\$279.43	\$161.24	\$77.55	\$1,487.01	\$138.32	\$1,625.33
No. 9.....	7	116.30	18.55	92.49	82.91	417.95	198.72	132.47	57.20	1,116.59	100.45	1,217.04
No. 28.....	33½	442.87	67.18	462.34	338.12	1,901.11	839.93	521.54	273.55	4,846.64	480.72	5,327.36
No. 31.....	7	109.67	14.96	78.57	8.70	413.21	210.34	104.83	57.10	997.38	100.45	1,097.83
No. 32.....	19	299.83	38.13	193.66	126.87	1,669.64	523.28	273.96	87.60	3,212.97	272.65	3,485.62
No. 33.....	12	195.75	32.06	129.69	113.00	824.62	369.16	173.08	97.92	1,634.68	172.65	1,807.33
No. 51.....	19	292.04	95.92	168.27	369.40	1,317.10	775.35	765.78	155.10	3,878.96	272.65	4,151.61
No. 53.....	19	274.48	61.34	205.42	158.20	1,786.20	749.09	707.46	133.00	4,075.19	272.65	4,347.84
No. 54.....	39	500.63	120.31	533.04	603.84	3,438.71	1,824.29	832.26	318.40	8,171.48	559.65	8,731.13
No. 55.....	9½	172.88	32.44	126.83	245.90	943.33	442.44	206.97	77.45	2,248.24	136.32	2,384.56
No. 76.....	6	118.53	14.32	83.46	66.37	401.68	175.63	79.74	49.10	988.83	86.10	1,074.93
No. 78.....	12	173.52	26.89	98.70	173.92	877.88	318.47	200.26	192.50	2,062.14	172.20	2,234.34
No. 80.....	24	315.07	57.85	255.16	237.99	1,152.16	633.95	687.98	133.95	3,494.11	344.40	3,838.51
No. 83.....	9	124.94	10.76	127.12	82.29	536.15	362.47	163.66	65.40	1,472.79	114.80	1,587.59
No. 85.....	9	114.43	9.07	117.97	2.35	754.33	305.14	157.03	73.45	1,533.77	129.15	1,662.92
No. 86.....	9½	185.39	18.09	116.15	113.44	790.32	207.43	128.84	77.50	1,637.16	136.32	1,773.48
No. 101.....	19	245.72	35.73	276.14	149.37	1,157.48	415.50	258.73	155.10	2,693.77	272.65	2,966.42
No. 102.....	19	236.43	39.55	258.63	118.61	818.97	419.18	24.05	155.10	2,070.52	272.65	2,343.17
No. 106.....	8	113.01	11.91	85.52	44.63	753.28	217.98	119.93	65.26	1,411.52	114.80	1,526.32
No. 108.....	18	236.35	21.25	229.72	116.74	1,494.44	529.09	346.15	147.10	3,129.84	258.30	3,379.14
No. 111.....	6	77.37	3.76	72.55	23.75	399.38	152.72	96.02	37.10	882.65	86.10	968.75
No. 112.....	10	212.63	27.92	72.17	80.28	839.97	283.28	162.25	81.90	1,790.37	143.30	1,933.67
No. 134.....	19	336.06	42.65	318.29	167.96	1,083.77	714.34	399.73	155.15	3,217.95	272.65	3,490.60
No. 135.....	9½	171.08	21.23	97.54	26.67	454.72	210.31	160.27	67.50	1,209.32	136.32	1,345.64
No. 137.....	12	216.83	17.98	145.26	112.48	836.46	305.04	.....	98.00	1,732.05	172.20	1,904.25
Total.....	363½	5,425.33	855.60	4,424.75	3,671.03	25,684.45	11,462.56	6,804.23	2,928.98	61,256.93	5,216.20	66,473.13
Office expenses prorated.....		427.60	85.90	342.05	256.55	2,223.30	1,026.15	598.40	256.55	5,216.20		
Total.....		5,852.93	941.20	4,766.80	3,927.58	27,907.75	12,488.71	7,402.63	3,185.53	66,473.13		

SUMMARY.

	Total	Average expense per acre.
Cultivating.....	\$5,852.93	\$16.10
Hoeing.....	941.20	2.58
Irrigating.....	4,766.80	13.11
Pruning.....	3,927.58	10.80
Picking.....	27,907.75	76.77
Fertilizer.....	12,488.71	34.35
Scale treatment.....	7,402.63	19.81
Water.....	3,185.53	8.76
Total.....	66,473.13	182.86
Less picking.....		76.77
		106.09

¹ Water in future must show an increase to \$20 per acre.

² Average cost per acre of total expenses.

This, it will be understood, leaves the fruit in the orchard. If the item of picking is excluded, it is still on the trees. If included, it is in field boxes, uncured and unpacked. After this must come the transportation to the packing house and the process of preparing, curing, and packing the fruit, as I have described. Further data will be submitted directly showing the cost of packing and shipment to market.

An interesting comparison of the cost of producing lemons is found in a letter that I am about to submit to the consideration of the Senate. The statements of Mr. Boal, that I have already submitted, were furnished to Mr. G. Harold Powell, secretary and manager of the Citrus Protective League, the gentleman I have mentioned as having visited foreign orchards and who has furnished for my use in this connection more ex-

tensive data and information gathered from the experience of many growers and which I shall advert to later on. In his letter to Mr. Boal, in acknowledging receipt of copies of the statements made by him, just given, Mr. Powell has this to say:

LOS ANGELES, CAL., September 22, 1911.

Mr. JOHN E. BOAL,
General Manager San Diego Fruit Co.,
National City, Cal.

DEAR MR. BOAL: I have been very much interested in looking over the account which you left with me regarding the cost of planting your lemon groves, the amount of wages paid to white and Japanese labor, and the statement of the expenses of maintaining your groves in 1909 and 1910. This account shows the same kind of variations that we are finding in the large number of accounts which will be used in getting at the approximate average cost of producing and of handling citrus fruits. I think that we will be able to submit from 125 to 150 individual growers' accounts showing the operating expenses in the field up to the time of harvest and the cost of picking, hauling, and packing the fruit.

I will incorporate this statement with the other statements that we shall submit to Senator WORKS, and also to the Tariff Board when our data are completed. In order to show some of the variations in the cost of producing citrus fruits, I thought you might be interested in seeing how your statement compares with some of the other large plantings. For example, on a planting of 140 acres the following expenses occur:

Fertilizer	\$46.43
Irrigating	24.04
Fumigating	18.07
Forage and grain	7.50
Taxes	11.56
Maintenance and repairs	18.12
Frost protection	7.14
Insurance	1.75
Incidental materials	3.13
Cultivating	23.32
Pruning	11.36
Superintending	16.14
Total	188.56

On an account of 300 acres the following expenses occur:

Fertilizing	49.57
Fumigating	43.24
Taxes	8.71
Maintenance and repairs	10.65
Frost protection	4.98
Insurance	.86
Cultivating, including pruning and irrigating	89.49
Spraying	14.02
Superintending	10.00
Other tree care	1.09
Total	232.61

In a planting of 10 acres the following expenses occur:

Fertilizing	46.00
Forage and grain	30.00
Taxes	9.80
Maintenance and repairs	15.00
All labor	155.00
Total	249.80

In a planting of 219 acres the following expenses occur:

Fertilizing	36.02
Water	26.86
Forage and grain	7.59
Taxes	10.68
Maintenance and repairs	9.51
Frost protection	1.63
Insurance	3.57
Cultivating, including irrigating	47.81
Pruning	11.93
Fumigating	25.78
Other tree care	.07
Total	181.45

In a planting of 5 acres the following expenses occur:

Fertilizing	66.00
Water	20.00
Forage and grain	15.00
Taxes	5.20
Cultivating	8.00
Pruning	20.00
Irrigating	6.00
Total	140.20

These accounts have been selected at random and are typical of the accounts we are securing. Several of your charges are very much below the general average. The cost of water for the State will probably average somewhere near \$20, and I judge from the figures we are obtaining that the average cost of fertilizing lemon groves will run between \$40 and \$50, while some of the most intensive growers spend very much more.

I am unable to say how your cost of picking compares with the others, as the yields are not included in your statement, but you might be interested to know that on the shipments covering 500,000 boxes, on which we have accurate data for the year 1911, the average cost of picking is 24.8 cents per box, hauling 5.7 cents, packing 61.2 cents, making a total cost of 91.2 cents per packed box from the time the fruit leaves the tree until it is placed on the cars. These figures are subject to revision as additional data are obtained.

Very truly yours,

G. HAROLD POWELL,
Secretary and Manager.

It will be seen from this showing that there is considerable variation in the expense of producing lemons in different cases. This results partly from the difference in locality, climate, and character of soil and the manner and methods of different growers in cultivating the ground and caring for the trees. Where deeper plowing is done and better care taken in caring for the trees, a greater yield of fruit is obtained as a rule; therefore the average cost per box of fruit would not greatly vary unless an orchard is actually neglected.

OPERATING COST OF A LEMON ORCHARD.

Mr. President, I now pass to a more extended view of this subject of cost of production, based upon data furnished by Mr. Powell, whom I have already mentioned, gathered from the experience of a large number of growers. This will show the same variation in cost between different orchards. The purpose is to arrive at a fair average that will furnish a just basis of comparison of the cost of production here and abroad. I am about to submit for the consideration of the Senate an itemized statement, in two tables, of the operating cost of lemon orchards for the year 1910-1911, covering every important section in the State. In these tables 143 separate and distinct orchards, covering 3,658.4 acres, are taken, owned and operated by different persons, giving actual expenditures taken from accounts kept in the regular transaction of business in each case or determined from data possessed by the grower, showing the amount of materials used and labor expended in each place. The tables have been prepared with the greatest accuracy, and each item of expense is given separately.

Table I gives the cultural costs of labor required in producing the lemons, including the cost of cultivating, pruning, irrigating, fumigating, fumigating labor and materials when not separated, spraying, spreading fertilizer, other tree care, superintending, administration, and other accounts not segregated. It includes also a statement of the total labor cost and the cost per acre on each ranch.

Table II gives the cultural cost of materials required in producing the lemons on the same ranches, including the cost of chemical fertilizers, barnyard manure, water, fumigation, forage and grain for stock used on the ranch, taxes, maintenance and repairs, frost protection, insurance chargeable to the groves, incidentals usually including cover crop seed. Table II includes also a statement of the total cost of materials and the cost per acre on each ranch, the total cost of labor and the cost of labor per acre on each ranch, and the total cost of labor and materials and the total cost of labor and materials per acre on each ranch. Table II contains also a statement showing the average cost of labor, the average cost of materials, and the total average cost per acre of labor and materials for the 143 ranches.

In Table I, in the first column, is given the orchard number. For example, orchard No. 2 contains 300 acres. The cost in total and the cost per acre is given in each column, making a total labor cost of \$46,839.02 and a cost per acre of \$156.13. Under the corresponding orchard number in Table II the cost of chemical fertilizer is given as \$40.20 per acre; barnyard manure, \$6.03 per acre; fumigation, \$28.63 per acre; taxes, \$8.71; maintenance and repairs, \$10.65; frost protection, \$4.89 per acre, and so on for each separate item. The total cost of materials is \$100.06 per acre and the total cost of labor and materials \$256.19 per acre.

It will be seen that no figures are given in some of the columns. Where this occurs the item may have cost the ranch nothing, or it may be included in another column. These variations are explained in each case on the margin of the table. In case of superintendence and administration no allowance has been made for these items except where they represent cash expenditures. Where the grower performs labor he is credited with the amount expended at laborer's wages and is given no credit for superintendence or administration.

These accounts do not include depreciation on the groves, irrigation facilities, buildings, stock or tools, or interest on the investment. The average investment per acre in these items is about \$65. A reasonable charge off is 10 per cent, distributed about as follows: 20 per cent on tools, 10 per cent on stock, and 3 to 5 per cent on buildings and equipment.

These tables are most complete and are intended to show with fairness and accuracy the cost of operating lemon groves in California. These data, which have been selected without any effort to make a favorable showing, show that on 143 representative ranches the average cost of labor expended annually in producing the California lemon crop is \$92.51. The average cost of materials per acre is \$108.75. The total average cost of labor and materials per acre is \$197.15.

The tables follow.

THE COST OF PRODUCING LEMONS IN CALIFORNIA.

The tables following show the detailed cultural cost of producing lemons in California on 143 lemon groves, comprising 3,653.4 acres. Table I shows the cost of labor, including plowing and cultivation, pruning, irrigation, fumigation, fumigation labor and materials, where not segregated, spraying, spreading fertilizer, other tree care, superintending, administration, and accounts not otherwise segregated.

TABLE I.—Cultural cost of labor required in producing lemons on 143 ranches in California in 1919.

No.	Acres.	XI. Cultivating.		XII. Pruning.		XIII. Irrigating.		XIV. Fumigating.		XV. Fumigation labor and materials.		XVI. Spraying.		XVII. Spreading fertilizer.	
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.
2	300	P. and L. \$26,845.82	\$89.49	Under XI.		Under XI.		\$4,382.32	\$14.61			\$4,207.31	\$14.02	\$1,001.70	\$3.34
3	49	542.02	13.55	\$787.44	\$19.69	\$293.60	\$7.34	519.50	12.99			241.18	6.03		
4	140	3,265.00	23.32	1,590.00	11.36	795.00	5.68	1,130.00	8.07					840.00	6.00
5	219	19,470.39	47.81	2,612.67	11.93	Under XI.				\$5,645.82	\$25.78			173.01	.79
6	5	40.00	8.00	100.00	20.00	30.00	6.00	R.							
8	26.5	475.00	17.92	453.60	17.12	300.00	11.32	228.06	8.61					20.25	.76
9	20	717.40	35.87	413.92	20.70	Under XI.				813.49	40.67				
10	10	See XXI.													
11	5	etc. 219.00	43.80	76.00	15.20	Under XI.		R.							
12	10	240.00	24.00	R. 620.00	62.00	49.00	4.90			330.00	33.00				
19	29	720.00	36.00	R. 155.00	7.75	270.00	13.50	294.72	14.74						
20	14	See XXI.		180.00	12.86										
23	10	R. 225.00	22.50	65.00	6.50	40.00	4.00	50.00	5.00						
24	13	425.00	32.69	300.00	23.07	160.00	12.31			225.00	17.30			37.50	2.88
27	9	216.00	24.00	280.00	31.11	99.00	11.00			112.50	12.50			85.50	9.50
21	120	See XXI.		1,723.20	14.36					1,456.28	12.14				
17	4	48.75	12.19	71.12	17.78	26.25	6.56			168.20	42.05			4.56	1.14
14	10	175.00	17.50	60.00	6.00	120.00	12.00			75.00	7.50			6.00	.60
35	5	100.00	20.00	55.00	11.00	75.00	15.00	40.00	8.00					6.00	1.20
34	5	45.00	9.00	75.00	15.00	75.00	15.00	36.00	7.20			35.00	7.00	5.00	1.00
36	70	371.67	5.31	731.66	10.45	537.97	7.68	Sulphuring 14.45	.21					93.35	1.33
38	9	86.40	9.60	120.56	13.40	111.52	12.39	R.				53.72	5.97		
37	2	22.50	11.25	32.60	16.30	20.00	10.00	R.						2.00	1.00
55	4.5	27.70	6.15	18.45	4.10	33.00	7.33	R.				21.00	4.66	8.59	1.88
30	5.5	77.00	14.00	81.40	14.80	39.35	5.52	75.00	13.64						
42	8	90.00	11.25	90.00	11.25	66.00	8.25	60.00	7.50			20.00	2.50	24.00	3.00
61	100	898.75	8.99	1,044.06	10.44	1,780.50	17.80	552.40	5.52			381.30	3.81	357.75	3.58
39	5	120.00	24.00	60.00	12.00	90.00	18.00					80.00	16.00		
33	8	80.00	10.00	108.00	13.50	60.00	7.50							7.20	.90
32	18	79.20	4.40	300.00	16.67	130.00	7.22							55.50	3.08
41	12	135.35	11.28	168.75	14.06	131.25	10.94					120.00	10.00	57.50	4.79
40	15	225.00	15.00	225.00	15.00	165.00	11.00					125.00	8.33	100.00	6.67
50	4.5	39.50	8.78	70.26	15.61	51.00	11.34					20.30	4.51	26.95	5.99
51	5	125.00	25.00	20.00	4.00	125.00	25.00					40.00	8.00	4.00	.80
52	5	50.00	10.00	50.00	10.00	60.00	12.00					30.00	6.00	20.00	4.00
53	5	65.00	13.00	100.00	20.00	64.10	12.82	42.00	8.40					3.00	.60
43	9	278.60	30.96	185.00	20.56	70.85	7.87	72.00	8.00			47.00	5.22	39.20	4.36
44	4	190.00	25.00	45.00	11.25	90.00	22.50					80.00	20.00		
45	9	250.90	27.77	100.00	11.11	120.00	13.33					90.00	10.00	15.00	1.66
82	5	80.00	16.00	36.00	7.20	47.50	9.50					90.00	18.00	10.00	2.00
83	5	80.75	16.15	77.80	15.56	57.60	11.52					119.36	23.87		
54	15	197.00	13.13	300.00	20.00	192.00	12.80	108.00	7.20					8.00	.53
57	11	137.50	12.50	98.00	8.91	91.65	8.33					73.35	6.67	47.65	4.33
25	5	150.00	30.00	75.00	15.00	80.00	16.00					65.00	13.00	61.00	12.20
81	110	5,223.10	47.48	1,584.00	14.40	1,332.00	11.20	431.24	3.92			149.93	1.36	264.00	2.40
59	30	400.00	13.33	450.00	15.00	450.00	15.00	221.96	7.40			7.50	.25	50.00	1.67
58	12	240.00	20.00	175.00	14.58	250.00	20.83					75.00	6.25	6.00	.50
60	10	144.00	14.40	Under XXI.		Under XXI.									
56	18	191.25	10.63	250.00	13.89	93.75	5.21					125.00	6.94	144.37	8.02
65	35	533.00	15.23	542.50	15.50	267.00	7.63	Under IV.							
66	6	94.50	15.75	70.00	11.67	37.80	6.30			228.98	38.16				
70	15	333.33	22.22	375.00	25.00	60.00	4.00			250.00	16.67				
71	7.2	136.80	19.00	37.50	5.21	36.00	5.00			108.00	15.00				
72	10.5	125.00	11.90	375.00	35.71	60.00	5.71			350.00	33.33				
73	14	R. 369.60	26.40	R. 420.00	30.00	Under XI.		51.32	3.67					14.00	1.00
75	22	97.00	4.41	365.00	16.59	160.00	7.27	R.						73.00	3.32
76	6	55.00	9.16	40.00	6.67	42.00	7.00			115.00	19.17			18.00	3.00
79	2.5	30.00	12.00	30.00	12.00	25.00	10.00			30.00	12.00			30.00	12.00
68	7	155.55	22.22	228.28	32.61	24.89	3.56			132.62	18.95			23.32	3.33
69	13	123.37	9.49	319.39	24.56	163.55	12.58			178.75	13.75			16.92	1.39
137	8	104.24	13.03	60.00	7.50	72.96	9.12			220.00	27.50			41.12	5.14
138	1	16.00	16.00	15.00	15.00	7.50	7.50			15.00	15.00			1.50	1.50
139	7	183.75	26.25	60.00	8.57	91.87	13.12			109.34	15.62			8.75	1.25
140	2.5	R. 75.00	30.00	48.00	19.20	Under XI.				57.60	23.04				
141	2	89.00	44.50	25.00	12.50	25.00	12.50			50.00	25.00			1.00	.50
142	48			1,027.22	21.40			385.42	8.03						
143	4	34.40	8.60	60.00	15.00	85.80	21.45							5.10	1.28
144	15	480.00	32.00	275.00	18.33	77.25	5.15			330.00	22.00			25.00	1.66
145	5	41.75	8.35	125.00	25.00	68.00	13.60					55.00	11.00	5.00	1.00
146	3	68.04	22.68	75.00	25.00	23.10	7.70			57.66	19.22			1.53	.51
147	3	15.00	5.00	75.00	25.00	32.85	10.95							13.00	4.33
148	10	R. 198.40	19.84	42.00	4.20	60.80	6.08			115.20	11.52				
149	3.5	87.50	25.00	86.42	24.69	26.20	7.20							7.00	2.00
150	22	172.26	7.83	750.00	34.09	77.00	3.50			210.00	9.55			110.00	5.00
80	7	317.40	45.34	351.00	50.14	80.00	11.43			310.80	44.40			18.65	2.66
1	422	R. 7,556.00	17.91	7,849.00	18.60	4,061.00	9.67			4,275.00	10.13				
48	3	49.09	16.36	23.08	7.69	42.86	14.29					23.44	7.81	Under I.	7.89
47	3	75.00	25.00	45.00	15.00	40.00	13.33					25.00	8.33	10.00	3.33
24	3.75	R. 62.00	16.53	81.00	21.60	96.00	25.60			98.60	26.29			8.00	2.11
85	2	Under XXI.													
83	3	R. 87.00	29.00	22.50											

TABLE I.—Cultural cost of labor required in producing lemons on 143 ranches in California in 1910—Continued.

No.	Acres.	XI. Cultivating.		XII. Pruning.		XIII. Irrigating.		XIV. Fumigating.		XV. Fumigation labor and materials.		XVI. Spraying.		XVII. Spreading fertilizer.	
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.
94	5.5	R. \$165.00	\$30.00	\$137.50	\$25.00	Under XI.								\$16.50	\$3.00
67	10	115.71	11.57	200.00	20.00	\$82.50	\$8.25	\$52.90	\$5.29					18.75	1.87
78	164	2,653.52	16.18	2,335.36	4.24	R.2,609.24	15.91	675.68	4.12						
85	13.5	125.00	9.26	254.00	18.81	63.00	4.66			\$323.00	\$23.92			17.50	1.29
97	14	214.00	15.28	108.00	7.71	104.00	7.43			84.00	6.00			17.80	1.27
96	10	See XXI.													
99	3	30.00	10.00	63.00	21.00	32.40	10.80							3.65	1.22
103	30	290.00	9.67	750.00	25.00	285.00	9.50	\$5.00	2.83					80.00	2.67
102	9	180.00	20.00	213.03	23.67	45.00	5.00	36.00	4.00					9.00	1.00
105	3.75	R. 52.50	14.00	125.25	33.39	10.12	2.70			11.25	3.00				
104	21	336.00	16.00	424.00	20.19	223.00	10.62							27.00	1.29
106	7	R. 87.50	12.50	140.00	20.00	Under XI.								Under II.	
107	4	60.00	15.00	60.00	15.00	64.00	16.00			160.00	40.00			4.00	1.00
98	6	55.90	9.32	26.40	4.40	61.92	10.32								
108	17	240.00	20.00	413.61	24.33	204.00	12.00			200.00	11.76			68.00	4.00
109	17	192.00	11.29	216.00	12.71	288.00	16.94	120.00	7.06					72.00	4.24
110	3.6	See total.													
63	22	75.00	20.83	60.00	16.67	35.00	9.72			75.00	20.83			18.00	5.00*
111	3 1/2	300.60	13.64	100.00	4.55	150.00	6.82			250.00	11.36			20.00	.91
112	6	139.68	23.28	100.00	30.00	50.00	15.00			125.00	37.50				
100	70	See XVI.								48.91	8.15			3.90	.65
113	6	94.50	15.75	88.89	14.81	72.00	12.00			452.74	6.47				
114	3.5	100.00	28.57	90.00	25.71	50.00	14.29			272.70	45.45				
115	2	17.00	8.50	18.60	9.30	13.00	6.50			78.00	22.29			5.00	1.43
116	2.5	50.00	20.00	33.75	13.50	15.00	6.00			40.00	20.00			1.00	.50
117	2	60.00	30.00	35.00	17.50	15.00	7.50							18.00	7.20
118	3	48.00	16.00	100.00	33.33	18.00	6.00			20.00	10.00				
119	5	36.00	7.20	80.55	10.11	40.15	8.03			66.00	22.00				
120	6	90.00	15.00	175.00	29.17	50.00	8.33	36.00	6.00	165.00	33.00			12.00	2.40
121	10	120.00	12.00	77.00	7.70	80.00	8.00	72.00	7.20			\$40.00	\$4.00	6.00	1.00
122	5	100.00	20.00	50.00	10.00	81.67	16.33	40.00	8.00					8.60	.80
157	10	208.35	20.84	75.00	7.50	33.35	3.33			125.00	12.50			10.00	2.00
124	19	400.00	21.05	500.00	26.32	145.00	7.62	60.00	3.16					33.35	3.33
125	18	197.50	10.97	425.00	23.61	138.50	7.69	104.00	5.77					120.00	6.32
126	3	60.00	20.00	72.00	24.00	22.50	7.50			188.00	10.44			188.00	10.44
26	9.25	249.70	27.00	132.40	14.30					22.50	7.50			22.50	7.50
128	9	110.00	12.22	120.00	13.33	64.00	7.11			60.00	20.00				
129	16	See total.								185.00	20.00				
130	3	43.20	14.40	110.00	36.66	14.00	4.66			155.00	17.22			21.10	2.34
131	9	76.80	8.53	321.00	35.66	174.50	19.39			144.50	9.03				
132	6	110.76	18.46	85.00	14.17	129.24	21.54			78.00	26.00			4.00	1.33
133	3	45.60	15.20	130.00	43.33	19.24	6.41			216.50	24.05				
134	5.25	67.50	12.86	77.00	14.67	36.00	6.86			90.00	15.00			4.62	.77
86	54	See XXI.								40.00	13.33				
135	4.5	56.00	12.45	75.00	18.00	18.00	4.00			150.00	28.57	198.65	3.68		
136	3.5	56.00	16.00	50.00	14.29	35.00	10.00			54.00	12.00				
62	418	7,459.58	17.85	3,077.51	9.51	5,788.45	13.85	1,967.94	4.70	132.37	37.82				
151	10	106.65	10.66	177.25	17.73			11.00	1.10					845.10	2.02
152	10	182.00	18.20	82.00	8.20	84.00	8.40			150.18	15.02				
153	6	R. 228.30	38.05	290.61	33.43	115.56	19.25			78.56	13.26			53.10	5.31
154	2	R. 40.00	20.00	35.00	17.50	Under XI.				20.00	10.00			Under XI.	
29	9	80.05	8.89	117.75	13.08	92.05	10.23	103.70	11.52					17.00	8.50
155	9.75	150.00	15.38	117.14	12.01	56.28	5.77			287.43	29.48			17.50	1.80
156	15	375.00	25.00	400.00	26.67	60.00	4.00			225.00	15.00			75.00	5.00
Total	3,658.4														

No.	Acres.	XVIII. Other tree care.		XIX. Superintending.		XX. Administration.		XXI. Not segregated.		Total labor.		Remarks.
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	
2	300	Frost prot.										
3	40	\$326.62	\$1.09	\$3,000.00	\$10.00	\$7,075.25	\$23.58			\$46,839.02	\$156.13	No cost to water.
4	140	F. P. 29.30	.73			1,613.64	40.39			4,028.68	100.72	
5	219	2,990.00	21.36	2,200.00	16.14	6,125.00	43.75			18,995.00	135.68	
6	5	15.00	.07			5,215.00	23.81			24,131.89	110.19	Did no fumigating.
8	26.5									170.00	34.00	
9	20	20.00	.75							1,496.93	56.48	
10	10	143.50	7.18							2,088.22	104.42	
11	5									1,550.00	155.00	Labor not segregated.
12	10									295.00	59.00	No fumigation nor water cost.
19	20									1,230.00	123.00	Trees double set.
20	14	530.00	26.50							1,969.72	98.49	R. Some pruning under other tree care.
23	10									1,637.65	116.97	Labor only partly segregated. No water cost nor fumigation.
24	13	46.00	4.60									R. Horse hire and fertilizer spreading included in cultivation.
27	9	25.50	1.96							426.00	42.60	
21	120	9.00	1.00			1,223.46	10.19	2,320.22	19.34	1,173.00	50.21	
17	4									802.00	80.20	
14	10	10.00	2.50							6,723.16	56.03	
35	5	16.50	1.65							328.88	82.22	
34	5	30.00	6.00							452.50	45.25	No fumigation.
36	70	25.00	5.00							306.00	61.20	Do.
38	9			560.00	8.00	560.00	8.00			296.00	59.20	
37	2	451.30	6.45									Do.
55	4.5	95.90	10.66							3,320.40	47.43	
30	5.5	6.00	3.00							468.10	52.02	Do.
42	8	48.20	10.73							82.50	41.25	Do.
61	100	50.00	9.09							156.95	34.85	
		24.00	3.00							313.75	57.05	
		2,440.00	24.40	1,326.00	13.26	4,388.82	43.89			374.00	46.75	
										13,169.58	131.69	

TABLE I.—Cultural cost of labor required in producing lemons on 143 ranches in California in 1910—Continued.

No.	Acres	XVIII. Other tree care.		XIX. Superintending.		XX. Administration.		XXI. Not segregated.		Total labor.		Remarks.
		Total	Per acre.	Total	Per acre.	Total	Per acre.	Total	Per acre.	Total	Per acre.	
39	5	\$30.00	\$6.00							\$390.00	\$76.00	
32	8	16.00	2.00							271.20	33.90	No fumigation.
41	12	111.09	6.16							675.70	37.53	Do.
40	15	358.35	29.86							971.20	80.93	Do.
50	4.5	585.00	39.00							1,425.00	95.00	Do.
51	5	30.64	6.81							238.65	53.04	Do.
52	5	20.00	4.00							334.00	66.80	No fumigation, little pruning, small fertilizer.
53	5	40.00	8.00							250.00	50.00	No fumigation.
43	9	100.00	20.00	\$100.00	\$20.00					474.10	94.82	
44	4	46.45	5.16							Z. 739.10	82.13	
45	9	25.00	6.25							340.00	85.00	Do.
52	5	30.00	3.33							605.00	67.20	Do.
54	15	300.00	20.00	325.00	21.67	\$325.00	\$21.67			263.50	52.70	
57	11	27.50	2.50							335.51	67.10	
25	5	40.00	8.00							1,755.00	117.00	Do.
81	110	2,843.00	25.84	1,698.73	15.44	3,489.00	31.72			475.65	43.24	
59	30	460.00	15.33			210.08	7.00			471.00	94.20	
58	12	50.00	4.16							16,915.00	153.76	
60	10			150.00	15.00					2,249.54	74.98	Do.
56	18	356.25	19.79					\$323.35	\$32.33	796.00	66.32	Do.
65	35	125.00	3.57							617.35	61.73	
66	6	25.20	4.20							1,160.62	64.48	
70	15	66.67	4.44							1,467.50	41.93	
71	7.2	18.00	2.50							456.48	76.08	
72	10.5	125.00	11.90							1,085.00	72.33	
73	14	Under XII.								336.30	46.71	
75	22	155.00	7.05							1,035.00	98.55	
76	6									854.92	61.07	XVIII under XII, and XIX under XI
79	2.5									850.00	38.64	No fumigation.
68	7									270.00	45.00	
69	13	280.00	21.54							145.00	58.00	
137	8	150.00	18.75							504.65	80.67	
138	1	R. 21.60	21.60							1,081.89	83.22	
139	7	30.59	4.37							648.32	81.04	R. Frost protection.
140	2.5									76.60	76.60	R. Not segregated—hired.
141	2									484.30	99.18	
142	48	R. 706.90	14.69					1,060.00	22.09	180.60	72.24	R. Includes \$4.88 per acre frost protection.
143	4	5.00	1.25							181.00	90.50	
144	15	25.00	1.66							3,179.54	66.21	
145	5	8.00	1.60							190.30	47.58	
146	3	.78	.26							1,212.25	80.80	
147	3	60.00	20.00							302.75	60.55	
148	10	60.00	6.00							226.11	75.37	
149	3.5	70.00	20.00							195.85	65.28	R. Work hired.
150	22	25.72	1.16							476.40	47.64	
80	7	38.90	5.56							276.12	78.89	
1	422	2,348.00	5.56			5,686.00	13.47			1,344.98	61.13	
48	3	8.18	2.73							1,116.75	159.53	
47	3	92.00	30.66							31,795.00	75.34	XI includes V.
84	3.75									170.33	56.77	Spraying but no fumigation.
85	2									287.00	95.65	Do.
88	3	18.80	6.27					175.00	87.50	345.60	92.15	XI includes V.
89	50					1,200.00	24.00	4,232.58	84.65	175.00	87.50	No fumigation, repairs, nor insurance.
90	8	5.00	.63	100.00	12.50					208.15	69.39	XI includes V.
64	22.5	540.00	24.00							5,839.70	116.79	
49	4	25.00	6.25							455.00	56.89	
91	9	285.00	31.66							1,508.04	67.02	
92	8	40.00	5.00							246.00	61.50	Spraying, but no fumigation.
93	19	142.50	7.50							1,475.00	103.86	XVI includes materials.
94	5.5	16.50	3.00							700.00	87.50	Do.
67	10	32.13	3.21							1,286.30	67.70	Do.
78	164	Under XIII.		2,651.88	16.17	4,788.80	29.20			335.50	61.00	XVII under XI.
65	13.5	490.00	36.29							481.99	48.19	XIII includes XVIII.
97	14	43.75	3.12							15,714.48	95.82	
96	10					R. 106.38	10.64	531.90	53.19	1,272.50	94.23	
99	3									571.55	40.81	Ranch of 65 acres.
103	30	100.00	3.33	500.00	16.67	528.00	17.60			638.28	63.83	No fumigation.
102	9	33.75	3.75							129.05	43.02	
105	3.75									2,618.00	87.27	
104	21	75.00	3.57							516.78	57.42	
106	7									199.12	53.09	XI includes V.
107	4	3.25	.81							1,464.47	69.74	No fumigation.
98	6	11.18	1.86	23.63	3.94	46.32	7.72			227.50	32.50	No fumigation; XIII under XI.
108	17	25.50	1.50			340.00	20.00			359.25	89.81	
109	17	200.00	11.76	200.00	11.76	170.00	10.00			225.35	37.56	No fumigation.
110	3.6	8.00	2.22							1,591.11	93.59	
63	22	100.00	4.55	360.00	16.36					1,458.00	85.76	
111	34	40.00	12.00							271.00	75.27	Little pruning.
112	6									1,280.00	58.19	
100	70			420.00	6.00			5,654.87	80.78	390.00	117.00	
113	6									355.21	59.20	
114	3.5	50.00	14.29			4.90	1.40			6,527.61	93.25	
115	2	3.00	1.50							528.09	88.01	
116	2.5	5.00	2.00							377.90	107.98	
117	2									92.60	46.30	Cultivating cost low.
118	3									121.75	48.70	No fumigation. Trees close set.
119	5	21.00	4.20							130.00	65.00	
120	6	10.00	1.67							232.00	77.33	
121	10	300.00	30.00							354.70	70.94	
122	5	41.67	8.33							367.00	61.17	
157	10									697.00	69.70	
124	19	59.50	3.13							323.34	64.66	
125	18	64.50	3.58							475.05	47.50	
126	3	22.50	7.50			18.75	6.25			1,284.50	67.60	
26	9.25	13.87	1.50							1,117.50	62.06	
										278.25	92.75	
										580.97	62.80	

TABLE I.—Cultural cost of labor required in producing lemons on 143 ranches in California in 1910—Continued.

No.	Acres.	XVIII. Other tree care.		XIX. Superintending.		XX. Administration.		XXI. Not segregated.		Total labor.		Remarks.
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	
128	9	\$22.50	\$2.50							\$492.60	\$54.72	
129	16							\$2,923.00	\$182.69			
130	3	13.50	4.50							282.70	87.55	
131	9	36.95	4.10							825.75	91.73	
132	6	20.28	3.38							439.90	73.32	
133	3	16.80	5.60							291.64	97.20	
134	5.25									330.50	62.96	
86	54	20.15	.37			\$1,767.00	\$32.72	4,258.00	78.86	6,243.80	115.63	
135	4.5	68.00	15.11							274.00	60.88	
136	3.5	10.00	2.86							285.37	81.54	
62	418	1,316.82	3.15	\$6,736.90	\$16.10	6,721.44	16.08			34,813.44	83.26	
151	10									354.90	35.49	
152	10	332.06	33.21							883.34	88.34	
153	6	10.80	1.80							634.83	105.80	Spreading fertilizer under cultivating.
154	2									112.00	56.00	Cultivating includes irrigating.
29	9	134.50	14.95							528.05	58.67	
155	9.75	135.00	13.85	540.00	55.38					1,303.35	133.67	
156	15	200.00	13.33							1,335.00	89.00	
Total	3,658.4									320,296.35	192.51	

¹ Average cost of labor per acre.

TABLE II.—Cultural cost of materials required in producing lemons on 143 ranches in California in 1910.

No.	Acres.	I. Chemical fertilizer.		II. Barnyard manure.		III. Water.		IV. Fumigation.		V. Forage and grain.		VI. Taxes.		VII. Maintenance and repairs.	
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.
2	300	\$12,060.00	\$40.20	\$1,808.78	\$6.03	R. (No cost.)		\$8,589.46	\$28.63	R.		\$2,613.08	\$8.71	\$3,194.31	\$10.65
3	40	1,800.00	45.00			R. (No cost.)		790.68	19.01	\$764.87	\$19.12	296.42	7.41		
4	140	7,100.00	50.71	2,000.00	14.29	\$2,569.88	\$18.36	1,400.00	10.00	1,650.00	7.50	1,618.75	11.56	2,537.50	18.12
5	219	7,715.37	35.23			5,882.34	26.86	Under XV.		1,662.21	7.59	2,338.92	10.68	2,082.69	9.51
6	5	280.00	56.00	50.00	10.00	100.00	20.00	R.		75.00	15.00	26.00	5.20	R.	
8	26.5	750.00	28.30	50.00	1.89	257.00	9.70	337.00	12.72	374.00	14.11	81.31	3.06	100.00	3.77
9	20	819.20	40.96	674.40	33.72	808.80	40.44	Under XV.		391.40	19.57	221.60	11.08	217.40	10.87
10	10	400.00	40.00			R.		R.		300.00	30.00	98.00	9.80	150.00	15.00
11	5	56.25	11.25	20.00	4.00	71.35	14.27	R.		150.60	30.12	28.65	5.73	42.00	8.40
12	10			520.00	52.00	240.00	24.00	Under XV.		See XI.		56.00	5.60	R.	
19	20	640.00	32.00	M&L468.60	23.43	250.00	12.50	147.36	7.37	365.00	18.25	247.78	12.39	300.00	15.00
20	14	400.00	28.57	40.00	2.86	R.		R.		320.00	22.86	121.35	8.66	100.00	7.14
23	10	480.00	48.00			240.00	24.00	200.00	20.00	Under XI.		87.00	8.70	R.	
24	13	750.00	57.70	25.00	1.92	500.00	38.46	Under XV.		180.00	13.85	178.00	13.69	262.50	20.00
27	9	738.00	82.00	232.65	25.85	202.50	22.50	Under XV.		202.50	22.50	92.70	10.30	99.00	11.00
21	120	1,323.55	11.03	1,430.76	11.92	268.03	2.23	Under XV.		1,648.84	13.74	820.20	6.91	255.53	2.13
17	4	185.12	46.28	46.20	11.55	24.00	6.00	Under XV.		38.25	9.56	48.00	12.00	4.50	1.12
14	10	280.00	28.00	250.00	25.00	100.00	10.00	Under XV.		150.00	15.00	65.00	6.50	25.00	2.50
35	5	100.00	20.00			42.00	8.40	60.00	12.00	85.00	17.00	24.00	4.80	R.	
34	5	200.00	40.00			35.00	7.00	50.00	10.00	55.00	11.00	15.00	3.00	R.	
36	70	2,557.35	36.53	164.55	2.35	527.40	7.53	93.35	1.35	914.70	13.07	179.55	2.56	126.10	1.80
38	9	244.47	27.16	212.01	23.56	69.60	7.73	R.		164.90	18.32	15.26	1.70	155.27	17.25
37	2	65.00	32.50			17.50	8.75	R.		27.50	13.75	27.00	13.50		
55	4.5	126.00	28.00	85.80	19.07	110.65	24.59	37.00	8.22	86.40	19.20	17.30	3.84	28.40	6.31
30	5.5	155.00	28.18	159.80	29.05	104.30	18.96	133.00	24.18	96.30	17.51	64.00	11.64	R.	
42	8	250.00	31.25			70.00	8.75	130.00	16.25	150.00	18.75	20.00	2.50	5.00	.62
61	100	4,996.54	49.97	190.05	1.90	1,127.73	11.28	1,170.69	11.71	1,834.34	18.34	360.36	3.60	1,308.51	13.09
39	5	200.00	40.00	100.00	20.00	35.00	7.00	70.00	14.00	145.00	29.00	12.80	2.56	20.00	4.00
33	8	270.00	33.75	75.00	9.37	76.80	9.60	R.		80.00	10.00	42.70	5.33	R.	
32	18	838.50	46.60	110.00	6.11	202.50	11.25	R.		228.00	12.50	93.15	5.17	R.	
41	12	240.00	20.00	153.35	12.78	105.00	8.75	72.00	6.00	T.H.166.70	13.89	39.40	3.28	62.50	5.20
40	15	700.00	46.66	20.00	1.33	150.00	10.00	125.00	8.33	275.00	18.33	41.70	2.78	65.55	4.37
50	4.5	136.51	30.37	46.64	13.60	41.75	9.28	42.70	9.50	T.H. 84.21	18.71	11.30	2.51	52.62	11.70
51	5			12.50	2.50	35.00	7.00	30.00	6.00	100.00	20.00	7.50	1.50	17.50	3.50
52	5	130.00	26.00			31.50	6.30	20.00	4.00	100.00	20.00	22.00	4.40	90.00	18.00
53	5	195.00	39.00	140.00	28.00	45.00	9.00	59.00	11.80	70.00	14.00	12.00	2.40	5.00	1.00
43	9	294.00	32.67			192.65	21.41	130.00	14.44	223.00	24.78	53.00	5.89	93.00	10.33
44	4	70.00	17.50			35.00	8.75			200.00	50.00	29.00	7.25	50.00	12.50
45	9	400.00	44.44	25.00	2.78	105.00	11.67	60.00	6.67	250.00	27.78	40.00	4.44	130.00	14.44
82	5	328.00	65.60	225.00	45.00	137.50	27.50	Under XV.		100.00	20.00	67.00	13.40	100.00	20.00
83	5	R. 400.00	80.00	Under I.		74.91	14.98	Under XV.		75.72	15.14	59.01	11.80		
54	15	624.00	41.60	236.00	22.40	127.00	8.46	146.00	9.73	285.00	19.00	36.00	2.40	70.00	4.66
57	11	73.35	6.67	366.65	33.33	96.25	8.75	55.00	5.00	343.75	31.25	41.25	3.75	45.85	4.17
25	5	152.00	30.40	225.00	45.00	104.00	20.80	Under XV.		87.50	17.50	52.57	10.51	50.00	10.00
81	110	3,653.09	33.21	3,634.70	33.04	2,133.10	19.40	1,044.85	9.49	5,085.80	46.23	2,057.66	18.72	517.36	4.70
59	30	1,170.00	39.00	480.00	16.00	288.10	9.60	406.12	13.54	630.00	21.00	72.31	2.41	200.00	6.67
58	12	276.00	23.00	180.00	15.00	116.60	9.71	50.00	4.16	500.00	41.66	32.00	2.67	100.00	8.33
60	10	390.00	39.00	38.00	3.80	75.00	7.50	141.05	14.10	T.H.180.09	18.01	24.00	2.40		
56	18	187.50	10.42	1,546.50	85.92	187.50	10.42	240.00	13.33	421.88	23.44	45.00	2.50	150.00	8.33
65	35	2,604.00	74.40	1,400.00	40.00	945.00	27.00	R. 650.00	18.57	420.00	12.00	546.00	15.60	105.00	3.00
66	6	140.00	23.33			157.50	26.25	Under XV.		132.30	22.05	66.51	11.09	41.05	6.84
70	15	333.33	22.22			300.00	20.00	Under XV.		208.33	13.89	133.33	8.89	16.67	1.11
71	7.2	108.00	15.00	252.00	35.00	190.80	26.50	Under XV.		180.00	25.00	57.60	8.00		
72	10.5	400.00	38.10	125.00	11.90	252.00	24.00	Under XV.		45.00	4.29	105.00	10.00	90.00	8.57
73	14	217.56	15.54	307.51	21.97	308.00	22.00	314.98	22.50	280.00	20.00	168.11	12.01	36.40	2.60
75	22	520.00	23.66	250.00	11.36	245.67	11.17	R.		T.H.275.00	12.50	103.40	4.70		
76	5	328.00	54.67	175.00	29.17	90.00	18.00	Under XV.		104.40					

TABLE II.—Cultural cost of materials required in producing lemons on 143 ranches in California in 1910—Continued.

No.	Acres.	I. Chemical fertilizer.		II. Barnyard manure.		III. Water.		IV. Fumigation.		V. Forage and grain.		VI. Taxes.		VII. Maintenance and repairs. ¹	
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.
138	1	\$30.78	\$30.78			\$8.11	\$8.11	Under XV.		\$19.27	\$19.27	\$11.43	\$11.43		
139	7	157.50	22.50	\$26.25	\$3.75	113.75	16.25	Under XV.		87.50	12.50	28.42	4.06		
140	2.5	190.50	76.20			60.00	24.00	Under XV.		See XI.		27.00	10.80		
141	2	42.00	21.00	42.00	21.00	40.00	20.00	Under XV.		54.66	27.33	25.33	12.67	\$6.67	\$3.33
142	48	1,487.75	31.00			1,600.00	33.33	\$533.50	\$11.22			550.26	11.46	215.00	4.48
143	4	318.20	79.55			104.00	26.00			98.00	24.50	39.60	9.90	4.80	1.20
144	15	330.00	22.00			233.25	15.55	Under XV.		281.25	18.75	182.70	12.18	333.30	22.22
145	5	375.00	75.00	35.00	7.00	100.00	20.00	104.00	20.80	65.00	13.00	62.50	12.50	16.67	3.33
146	3	150.00	50.00			29.73	9.91	Under XV.		35.43	11.81	37.80	12.60	49.62	16.54
147	3	187.50	62.50			12.00	4.00			T. H. 18.60	6.20	22.50	7.50		
148	10	520.00	52.00	256.00	25.60	285.00	28.50	Under XV.		R.		200.00	20.00		
149	3.5	113.70	32.49			26.69	7.60					14.81	4.23	35.00	10.00
150	22	1,427.00	64.86	301.00	13.68	476.64	21.67	Under XV.		616.00	28.00	275.00	12.50	146.74	6.67
80	7	560.00	80.00	443.35	63.33	231.00	33.00	Under XV.		136.00	19.43	110.00	15.71	168.00	24.00
1	422	R. 43,373.00	R. 102.78	Under I.		5,578.00	13.22	Under XV.		Under XI.		5,668.00	13.41	5,205.00	12.33
48	3	78.00	26.00	71.10	23.70	25.71	8.57	14.00	4.67	122.89	40.95	17.14	5.71	16.77	5.59
47	3	84.00	28.00	40.00	13.33	21.00	7.00	20.00	6.66	150.00	50.00	25.00	8.33	25.00	8.33
84	3.75	320.00	85.33	70.00	18.67	90.00	24.00	Under XV.		Under XI.		29.50	7.87		
85	2	6.00	3.00	30.00	15.00	17.50	8.75	Under XV.		Under XI.		5.23	2.61		
88	3	111.00	37.00			49.88	16.63	Under XV.		Under XI.		21.14	7.05	16.50	5.50
89	50	R. 1,948.63	38.97	Under I.		1,263.70	25.87	Under XV.		Under XXI.		515.97	10.32	420.00	8.40
90	8	320.00	40.00	256.00	32.00	190.12	23.77	Under XV.				62.50	7.81	43.75	5.47
64	22.5	1,535.00	68.22	650.45	28.91	531.00	23.64	613.64	27.27	402.30	17.88	281.25	12.50	87.50	3.89
49	4	50.00	12.50	50.00	12.50	35.00	8.75	20.00	5.00	180.00	45.00	13.00	3.25	50.00	12.50
91	9	600.00	66.67			250.00	27.78	Under XVI and XV.		200.00	22.22	60.00	6.67	100.00	11.11
92	8	350.00	43.75			80.00	10.00	Under XVI and XV.		160.00	20.00	32.00	4.00		
93	19	1,729.00	91.00			190.00	10.00	Under XVI and XV.		R. 356.25	18.75	57.00	3.00	95.00	5.00
94	5.5	280.00	50.91	225.00	40.91	180.00	32.73	Under XV.		135.00	24.55	55.00	10.00	75.00	13.63
67	10	400.89	40.09	40.00	4.00	226.47	22.64	138.75	13.87	123.63	12.36	52.33	5.23	30.40	3.04
78	164	4,342.72	26.48	Under I.		4,393.56	26.79	4,254.16	25.94	1,079.12	6.58	1,990.64	12.01	1,349.72	8.23
95	13.5	650.00	48.15	145.00	10.74	375.00	27.77	Under XV.		R. 155.00	11.49	198.00	14.66		
97	14	485.00	34.64	33.00	2.36	284.48	20.32	Under XVI and XV.		119.28	8.52	68.45	4.89	15.00	1.06
96	10	400.00	40.00	315.00	31.50	194.18	19.42	Under XV.		89.28	8.93	52.44	5.24	31.23	3.12
99	3	210.00	70.00	15.00	5.00	62.40	20.80			112.50	37.50	20.55	6.85	1.50	.50
103	30	1,310.00	43.67	645.00	21.50	240.60	8.02	150.00	5.00	211.80	7.06	717.30	23.90	111.18	3.71
102	9	202.50	22.50			216.00	24.00	264.09	29.33	270.00	30.00	153.00	17.00	49.50	5.50
105	3.75	128.73	34.33	40.02	10.67	37.50	10.00	Under XV.		Under XI.		21.27	5.67		
104	21	750.00	35.71	70.00	3.33	192.10	9.15			144.69	6.89	217.85	10.37	26.29	1.95
106	7	231.00	33.00	R. 150.00	21.43	37.32	5.33			R. 91.35	13.05	28.21	4.03		
107	4	200.00	50.00	125.00	31.25	100.00	25.00	Under XV.		90.00	22.50	38.99	9.75	4.00	1.00
98	6	259.20	43.20	54.57	9.10	63.10	10.52			37.26	6.21	27.00	4.50	6.52	1.08
108	17	800.00	47.06	500.00	29.41	340.00	20.00	Under XV.		255.00	15.00	255.00	15.00	85.00	5.00
109	17	686.90	40.41	588.78	34.64	861.33	50.67	400.74	23.57	203.66	11.98	161.33	9.49	283.33	16.66
110	3.6	168.58	46.82	116.00	32.22	105.12	29.20	Under XV.		72.00	20.00	38.88	10.80	9.00	2.50
63	22	500.00	22.73	125.00	5.68	353.54	16.07	Under XV.		179.08	8.14	203.28	9.24	400.20	18.00
111	3.5	98.00	29.40	85.00	25.50	32.78	9.23	Under XV.		52.33	15.70	38.36	11.51		
112	6	392.76	65.46			161.04	26.84	Under XV.		100.86	16.81	24.00	4.00		
100	70	3,173.35	45.33	3,615.00	50.22	2,002.00	28.60	Under XV.		Und. XXI.		723.80	10.34		
113	6	184.68	30.78	276.84	46.14	217.08	36.13	Under XV.		R. 100.02	16.67	63.84	10.64	25.02	4.17
114	3.5	200.00	57.14	85.00	24.29	52.50	15.00	Under XV.		93.33	26.66	39.44	11.27	11.65	3.33
115	2	40.00	20.00			30.00	15.00	Under XV.		50.00	25.00	30.00	15.00		
116	2.5	108.40	43.36	25.00	10.00	20.83	8.33			45.83	18.33	11.67	4.67	8.33	3.33
117	2	75.00	37.50	125.00	62.50	10.00	5.00	Under XV.		32.00	16.00	12.80	6.40	5.60	2.80
118	3	190.00	63.33			54.00	18.00	Under XV.		60.00	20.00	34.92	11.64		
119	5	450.00	90.00			50.00	10.00	Under XV.		60.00	12.00	40.00	8.00		
120	6	200.00	33.33			133.34	22.22	54.00	9.00	133.33	22.22	33.33	5.56		
121	10	275.00	27.50	171.00	17.10	180.00	18.00	140.00	14.00	200.00	20.00	50.00	5.00	45.00	4.50
122	5	66.67	13.33	100.00	20.00	41.67	8.33	65.00	13.00	166.67	33.33	33.34	6.66	25.00	5.00
157	10	700.00	70.00			150.00	15.00					177.59	17.75	41.67	4.17
124	19	1,156.00	60.84	360.00	18.95	210.00	11.05	288.00	15.15	970.00	51.05	56.60	3.14	170.00	8.95
125	18	817.00	45.39	90.00	5.00	222.00	12.72	166.00	9.22	334.00	18.55	56.60	3.14	197.50	10.97
126	3	90.00	30.00	25.00	8.33	18.75	6.25	Under XV.		112.50	37.50	10.50	3.50		
26	9.25	119.80	12.55			16.65	1.80					76.09	8.00		
128	9	200.00	22.22	120.00	13.33	66.00	7.33	Under XV.		318.75	35.41	53.00	5.89	153.30	17.03
129	16	330.00	20.62			250.00	15.62	Under XV.		395.00	24.69				
130	3	80.00	26.67	350.00	116.67	60.00	20.00	Under XV.		110.00	36.67	48.30	16.10	19.50	6.50
131	9	358.40	39.82	31.80	3.53	290.00	32.22	Under XV.		223.00	24.77	47.20	5.24	34.30	3.81
132	6	140.00	23.33			212.28	35.38	Under XV.		166.14	27.69	360.00	60.00	6.48	1.08
133	3	92.00	30.67			24.00	8.00	Under XV.		64.23	21.41	20.37	6.79	8.58	2.86
134	5.25	258.75	49.30	6.00	1.14	197.00	37.52	Under XV.		75.00	14.29	135.00	25.72	60.00	11.42
86	54	2,105.47	38.99					683.76	12.66	608.72	11.27	980.00	18.15		
125	4.5	110.00	24.44	115.00	25.55	30.92	6.87	Under XV.		R. 71.46	15.88	20.61	4.58		
126	3.5	21.46	6.14	25.00	7.14	51.33	14.67	Under XV.		17.78	5.08	18.63	5.33	10.95	3.13
62	418	11,296.03	27.02	432.12	1.03	3,406.70	8.15	3,400.00</							

TABLE II.—Cultural cost of materials required in producing lemons on 143 ranches in California in 1910—Continued.

No.	Acres.	VIII.		IX.		X.		Total materials.		Labor.		Materials and labor.		Remarks.
		Frost protection.		Insurance premium.		Incidental.		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.							
2	300	\$1,429.25	\$4.98	\$259.26	\$0.86			\$30,019.14	\$100.06	\$46,839.02	\$156.13	\$76,858.16	\$256.19	Water, forage and grain without cost.
3	40					\$168.60	\$4.22	3,790.57	94.76	4,028.68	100.72	7,819.25	195.48	No cost to water; no repairs nor insurance.
4	140	1,000.00	7.14	245.00	1.75	437.50	3.13	19,958.63	142.58	18,995.00	135.68	38,953.63	278.24	
5	219	356.14	1.63	781.83	3.57			20,819.50	95.07	24,131.89	110.19	44,951.39	205.26	
6	5			R.				531.00	106.20	170.00	34.00	701.00	140.20	No fumigation, repairs, nor insurance.
8	26.5					90.00	3.40	2,039.31	76.95	1,496.93	56.48	3,536.24	133.43	
9	20	100.00	5.00	25.60	1.28	49.00	2.45	3,307.40	165.37	2,088.22	104.42	5,395.62	269.79	
10	10							948.00	94.80	1,550.00	155.00	2,498.00	249.80	No fumigation nor water cost.
11	5			2.70	.54			371.55	74.31	295.00	59.00	666.55	133.31	Do.
12	10			R.				816.00	81.60	1,230.00	123.00	2,046.00	204.60	No repairs nor insurance.
19	20			15.00	.75			2,433.74	121.69	1,969.72	98.49	4,403.46	220.18	M. & L. (material and labor).
20	14			20.00	1.43			1,001.35	71.52	1,637.65	116.97	2,639.00	188.49	No fumigation nor water cost.
23	10			R.		40.00	4.00	1,047.00	104.70	426.00	42.60	1,473.00	147.30	No repairs nor insurance.
24	13			20.00	1.55	45.00	3.46	1,960.50	150.63	1,173.00	90.21	3,133.50	240.84	
27	9			4.50	.50			1,571.85	174.65	802.00	89.11	2,373.85	263.76	
21	120					750.93	6.26	6,506.84	54.22	6,723.16	56.03	13,230.00	110.25	
17	4			1.62	.41			347.69	86.92	328.88	82.22	676.57	169.14	
14	10	50.00	5.00					920.00	92.00	452.50	45.25	1,372.50	137.25	
35	5			R.		9.00	1.80	320.00	64.00	306.00	61.20	626.00	125.20	No repairs nor insurance.
34	5			R.				355.00	71.00	296.00	59.20	651.00	130.20	Do.
36	70			14.00	.20	69.00	.99	4,646.00	66.36	3,320.40	47.43	7,966.40	113.79	
38	9			R.				861.51	95.72	468.10	52.02	1,329.61	147.74	No fumigation nor insurance.
37	2			15.00	7.50			152.00	76.00	82.50	41.25	234.50	117.25	No fumigation nor repairs.
55	4.5							491.55	109.23	156.95	34.85	648.50	144.08	
30	5.5			11.10	2.02	16.05	2.92	739.55	134.46	313.75	57.05	1,053.30	191.51	No repairs.
42	8					24.09	3.00	649.00	81.12	374.00	46.75	1,023.00	127.87	
61	100			82.54	.83	383.20	3.83	11,453.96	114.55	13,169.58	131.69	24,623.54	246.24	
39	5							582.80	116.56	380.00	76.00	962.80	192.56	
33	8	25.00	3.13	1.05	.13			670.55	71.31	271.20	33.90	941.75	105.21	No fumigation nor repairs.
32	18	10.00	.56	4.50	.25			1,483.65	82.44	675.70	37.53	2,159.35	119.97	Do.
41	12			20.20	1.69	11.00	.92	870.15	72.51	971.20	80.93	1,841.35	153.44	
40	15					21.85	1.46	1,399.10	93.26	1,425.00	95.00	2,824.10	188.26	
50	4.5							415.73	92.38	238.65	53.04	654.38	145.42	
51	5							202.50	40.50	334.00	66.80	536.50	107.30	Small amount of fertilizer.
52	5			9.00	1.80	10.00	2.00	412.50	82.50	250.00	50.00	662.50	132.50	
53	5							626.00	125.20	474.10	94.82	1,000.10	200.02	
43	9			24.00	2.67			1,069.65	112.19	739.10	82.13	1,748.75	194.32	
44	4			12.00	3.00			396.00	99.00	340.00	85.00	736.00	184.00	
45	9							1,010.00	112.22	605.00	67.20	1,615.00	179.42	
82	5			2.25	.45			959.75	191.95	263.50	52.70	1,223.25	244.65	
83	5					10.12	2.02	619.76	123.94	335.51	67.10	955.27	191.04	II under I.
54	15					79.00	5.26	1,703.00	113.51	1,755.00	117.00	3,458.00	230.51	
57	5			4.60	.41			1,026.70	93.33	475.65	43.24	1,502.35	136.57	
25	5					117.00	23.40	788.07	157.61	471.00	94.20	1,259.07	251.81	
81	110	270.00	2.45	884.57	8.04			19,281.13	175.28	16,915.00	153.76	36,196.13	329.04	
59	30			15.00	.50	20.41	.68	3,281.94	109.40	2,249.54	74.98	5,531.48	184.38	
58	12							1,254.60	104.53	796.00	66.32	2,050.60	170.85	
60	10					28.80	2.88	876.94	87.69	617.35	61.73	1,494.29	149.42	
56	18			56.25	3.13			2,834.63	157.49	1,160.62	64.48	3,995.25	221.97	
65	35			10.50	.30			6,680.50	190.87	1,467.50	41.93	8,148.00	232.80	IV includes XIV.
66	6			6.30	1.05	15.75	2.63	559.41	93.24	456.48	76.08	1,015.89	169.32	
70	15			1.67	.11			993.33	66.22	1,085.00	72.33	2,078.33	138.55	
71	7.2			.83	.12			789.23	109.62	336.30	46.71	1,125.53	156.33	
72	10.5							1,017.00	96.86	1,035.00	98.55	2,052.00	195.41	
73	14			5.60	.40	28.00	2.00	1,666.16	119.02	854.92	61.07	2,521.08	180.09	
75	22							1,394.07	63.39	850.00	38.64	2,244.07	102.03	No fumigation.
76	5			2.70	.45			843.26	140.55	270.00	45.00	1,113.26	185.55	
79	2.5	10.00	4.00	6.00	2.40			322.25	128.90	145.00	58.00	467.25	186.90	Total fertilizer under I.
68	7			4.67	.67			672.08	96.02	564.65	80.67	1,236.73	176.69	
69	13			16.53	1.27			2,042.06	157.09	1,081.89	83.22	3,123.95	240.31	
137	8							801.20	100.15	648.32	81.04	1,449.52	181.19	
138	1	10.00	10.00	.27	.27	1.18	1.18	90.04	90.04	76.60	76.60	166.64	166.64	
139	7			8.75	1.25			422.17	60.31	484.30	69.18	906.47	129.49	
140	2.5					5.00	2.00	282.50	113.00	180.60	72.24	463.10	185.24	
141	2			.40	.20			211.06	105.53	181.00	90.50	392.06	196.03	
142	48	60.00	1.25	35.00	.73			4,486.51	93.47	3,179.54	66.21	7,666.05	159.68	
143	4			4.00	1.00	7.20	1.80	575.80	143.95	190.30	47.58	766.10	191.53	
144	15			15.00	1.00			1,375.50	91.70	1,212.25	80.80	2,587.75	172.50	
145	5			.83	.17	8.33	1.67	767.33	153.47	302.75	60.55	1,070.08	214.02	
146	3					13.05	4.35	315.63	105.21	226.11	75.37	541.74	180.58	
147	3			4.20	1.40	36.00	12.00	280.80	93.60	195.85	65.28	476.65	158.88	
148	10			30.00	3.00	30.00	3.00	1,321.00	132.10	476.40	47.64	1,797.40	179.74	R. Work hired.
149	3.5	20.00	5.71	1.40	.40			211.51	60.43	276.12	78.89	487.63	139.32	
150	22			14.64	.67	26.18	1.19	3,283.20	149.24	1,344.98	61.13	4,628.18	210.37	
80	7			45.20	6.45			1,693.55	241.92	1,116.75	159.53	2,810.30	401.45	
1	422	846.00	2.00	Under XX.		520.00	1.23	61,180.00	144.97	31,795.00	75.34	92,975.00	220.31	II and XVII under I. Labor included in VIII.
48	3			4.50	1.50			350.11	116.70	170.33	56.77	520.44	173.47	
47	3			5.00	1.66			370.00	123.31	287.00	95.65	657.00	218.96	
84	3.75			6.00	1.60			515.50	137.47	345.60	92.15	861.10	229.62	
85	2							58.73	29.36	175.00	87.50	233.73	116.86	No fumigation, repairs, insurance, etc.
88	3			3.75	1.25			202.27	67.43	208.15	69.39	410.42	136.82	
89	50	100.00	2.00	120.00	2.40	150.00	3.00	4,648.30	90.96	5,839.70	116.79			

TABLE II.—Cultural cost of materials required in producing lemons on 143 ranches in California in 1910—Continued.

No.	Acres.	VIII. Frost protection.		IX. Insurance premium.		X. Incidental.		Total materials.		Labor.		Materials and labor.		Remarks.
		Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	
91	9			\$7.50	\$0.83	\$20.00	\$2.22	\$1,237.50	\$137.50	\$1,475.00	\$163.86	\$2,712.50	\$301.36	
92	8			8.00	1.00	24.00	3.00	654.00	81.75	700.00	87.50	1,354.00	169.25	
93	19					47.50	2.50	2,474.75	130.25	1,286.30	67.70	3,761.05	197.95	V includes team hire.
94	5.5			5.00	.91			955.00	173.64	335.50	61.00	1,290.50	234.64	
67	10			1.20	.12	3.33	.33	1,016.93	101.68	481.99	48.19	1,498.92	149.87	
78	164	\$478.88	\$2.92	168.92	1.03			18,036.72	109.98	15,714.48	95.82	33,751.20	205.80	
95	13.5					40.00	2.96	1,563.00	115.77	1,272.50	94.23	2,835.50	210.00	
97	14							1,005.22	71.79	571.55	40.81	1,576.77	112.60	
96	10			1.46	.05	23.64	2.36	1,106.23	110.62	638.28	63.83	1,744.51	174.45	
99	3	4.50	1.50	1.65	.55			437.10	145.70	129.05	43.02	566.15	188.72	No fumigation.
103	30			21.30	.71			3,407.18	113.58	2,618.00	87.27	6,025.18	200.85	
102	9			5.63	.63	19.13	2.12	1,179.76	131.08	516.78	57.42	1,696.54	188.50	
105	3.75					9.00	2.40	236.52	63.07	199.12	53.09	435.64	116.16	
104	21			24.84	1.18			1,425.77	67.88	1,464.47	69.74	2,890.24	137.62	No fumigation.
106	7			.95	.14	13.13	1.88	551.96	78.86	227.50	32.50	779.46	111.36	II includes XVII; V includes team hire.
107	4					12.00	3.00	569.99	142.50	359.25	89.81	929.24	232.31	
98	6			.79	.13	16.20	2.70	464.64	77.44	225.35	37.56	689.99	115.00	No fumigation.
108	17			42.50	2.50	42.50	2.50	2,320.00	136.47	1,591.11	93.59	3,911.11	230.06	
109	17							3,186.13	187.42	1,458.00	85.76	4,644.13	273.18	
3												20,514.43	113.97	Totals only.
110	3.6			.43	.12			510.01	141.66	271.00	75.27	781.01	216.93	
63	22			15.36	.70			1,785.46	81.16	1,280.00	58.19	3,065.46	139.35	
111	3.3			2.35	.70	2.35	.70	309.17	92.74	390.00	117.00	699.17	209.74	
112	6					12.60	2.10	691.26	115.21	355.21	59.20	1,046.47	174.41	
100	70	466.70	6.67					9,880.85	141.16	6,527.61	93.25	16,408.46	234.41	
113	6			.78	.13			868.26	144.71	528.09	88.01	1,396.35	232.72	V includes team hire.
114	3.5			.64	.18			482.56	137.87	377.90	107.98	860.46	245.85	
115	2			1.00	.59			151.00	75.50	92.60	46.30	243.60	121.80	
116	2.5	10.00	4.00	1.60	.64			231.66	92.66	121.75	48.70	353.41	141.36	No fumigation.
117	2			1.60	.80			262.00	131.00	130.00	65.00	392.00	196.00	
118	3					7.20	2.40	346.12	115.37	232.00	77.33	578.12	192.70	
119	5			2.40	.48			602.40	120.48	354.70	70.94	957.10	191.42	
120	6			10.00	1.67	10.00	1.67	574.00	95.67	367.00	61.17	941.00	156.84	
121	10			8.66	.86			1,069.66	106.96	697.00	69.70	1,766.66	176.66	
122	5			6.92	1.38	40.00	8.00	545.27	109.03	323.34	64.66	868.61	173.69	
157	10			.92	.09	66.67	6.67	1,136.76	113.68	475.05	47.50	1,611.81	161.18	
124	19	42.00	2.21	14.00	.75			3,210.00	168.95	1,284.50	67.60	4,494.50	236.55	
125	18	24.00	1.33	4.50	.25	43.00	2.39	1,961.60	108.96	1,117.50	62.06	3,079.10	171.02	
126	3			3.75	1.25	6.00	2.00	266.50	88.83	278.25	92.75	544.75	181.58	
26	9.25					92.50	10.00	304.95	32.75	580.97	62.80	885.92	95.55	
128	9	40.00	4.44	19.85	2.20	37.50	4.17	1,008.40	112.02	492.60	54.72	1,501.00	166.74	
129	16							(¹)	(¹)	(¹)	(¹)	4,042.50	252.65	
130	3			1.80	.60			669.60	223.20	262.70	87.55	932.30	310.75	
131	9					16.35	1.81	1,001.05	111.20	825.75	91.73	1,826.80	202.93	
132	6			13.86	2.31			898.76	149.79	439.90	73.32	1,338.66	223.11	Taxes high. Ranch in residence section near L. A.
133	3	37.29	12.43	.63	.21	6.00	2.00	253.16	84.39	291.64	97.20	544.80	181.59	
134	5.25			6.00	1.14	20.00	3.81	757.75	144.34	330.50	62.96	1,088.25	207.30	
86	54	22.67	.42	138.50	2.56			4,539.12	84.05	6,243.80	115.63	10,782.92	199.68	
135	4.5	25.00	5.55			9.00	2.00	381.99	84.87	274.00	60.88	655.99	145.75	Team hire under V.
136	3.5	75.00	21.42	1.09	.31	9.34	2.67	230.61	65.89	285.37	81.54	515.98	147.43	
62	418			521.50	1.25			26,525.17	63.45	34,813.44	83.26	61,338.61	146.71	
151	10					5.25	.52	508.85	50.88	354.90	35.49	863.75	86.37	
152	10			19.05	1.90	37.90	3.79	1,114.09	111.46	883.34	88.34	1,998.03	199.80	
153	6			.65	.11	13.50	2.25	902.20	150.37	634.83	105.80	1,537.03	256.17	
154	2			.57	.28			219.29	109.64	112.00	56.00	331.29	165.64	
29	9							1,316.00	146.22	528.05	58.67	1,844.05	204.89	
155	9.75			3.65	.37	24.37	2.50	1,768.30	181.36	1,303.35	133.67	3,071.65	315.03	
156	15			18.33	1.22	133.33	8.89	1,911.00	127.40	1,335.00	89.00	3,246.00	216.40	
Total	3,658.4							376,403.98		320,296.35		721,257.26	(¹)	

¹ Average cost per acre: Materials, \$108.71; labor, \$92.51. Total average cost per acre, labor and materials, \$197.15.

THE YIELD OF LEMONS IN CALIFORNIA.

Table III, following, shows the average annual yield of lemons per acre from 1906-7 to 1910-11 on the acreage of the principal lemon shippers and associations in California. The record includes practically every important lemon-growing section in California and nearly every large lemon planting of bearing age in the State. It covers not

less than 700 groves. The average yield for the five-year period is 196.2 packed boxes per acre, making an average annual cultural cost of producing the fruit in the field of \$1 per packed box.

These data do not include depreciation on the groves, buildings, stock, machinery, tools, irrigation plant, or other equipment, or interest on the investment. The investment represents about \$1,000 per acre. The investment in equipment per acre represents about \$60.

TABLE III.—The yield of lemons per acre, 1906-7 to 1910-11, inclusive.

Association or individual account.	1910-11		1909-10		1908-9		1907-8		1906-7	
	Acreage.	Shipments.	Acreage.	Shipments.	Acreage.	Shipments.	Acreage.	Shipments.	Acreage.	Shipments.
No. 2.....	30	4,485	30	6,402	30	6,077	30	3,195	30	5,832
No. 3.....	120	32,229	120	28,842	120	29,786	120	30,477	120	23,237
No. 6.....	437	72,500	302	57,944	191	25,596				
No. 8.....	140	20,871	140	20,815	140	28,350	140	15,263	140	9,614
No. 12.....	195	29,474	168	14,073	186	21,315				
No. 14.....	119	29,625	114	25,192	114	24,084				
No. 16.....	85	15,527	93	8,744						
No. 18.....	675	109,203	104	25,376	116	28,177	101	24,716	77	18,638
No. 29.....	100	13,200	100	6,800	150	19,200	150	18,400	150	18,400
No. 31.....	200	17,317	80	6,792	45	2,827				
No. 32.....	1	100								
No. 36.....	188.9	44,654	150.1	46,465	150.1	56,814	150.1	44,613	150.1	36,020
No. 37.....	832	216,522	800	176,587	760	204,716	710	150,719	650	94,469
No. 38.....	180	24,236	180	13,599	180	23,585	180	32,830	180	29,621
No. 39.....	407	68,000	380	36,637	400	57,649	410	64,415	375	39,332

TABLE III.—The yield of lemons per acre, 1906-7 to 1910-11, inclusive—Continued.

Association or individual account.	1910-11		1909-10		1908-9		1907-8		1906-7	
	Acreage.	Shipments.	Acreage.	Shipments.	Acreage.	Shipments.	Acreage.	Shipments.	Acreage.	Shipments.
No. 40	300	75,271	300	114,767	300	104,528	300	79,046	300	68,506
No. 43	211	30,253								
No. 44	141.5	35,866	129	28,576	146	35,366	145.5	22,473	104.5	14,072
No. 47	110	31,943	110	36,192	110	42,120	110	37,752	120	37,440
No. 48	238	109,033								
No. 58	30	4,816	30	2,252	30	7,981	30	4,690	10	569
No. 59	15	2,382								
No. 60	42	19,466	42	9,930	42	15,263	42	12,403	54	11,484
No. 61	344	60,000	340	38,461	340	55,538	330	47,017	350	39,552
No. 62	213	72,189	213	61,919	370	109,354	390	68,451	375	52,081
No. 63	110	11,424								
No. 64	200	40,569	225	34,127	225	36,356				
No. 65	418	94,387	418	95,270	418	73,370	418	46,469	418	38,567
No. 66	55	10,752								
Total	6,137.4	1,296,294	4,568.1	895,762	4,563.1	1,008,052	3,756.6	702,929	3,603.6	537,434
Average boxes per acre		211.2		196.1		220.9		187.1		149.1
Five-year average, boxes per acre		196.2								

THE COST OF HANDLING THE LEMONS FROM THE TREE TO THE CAR IN CALIFORNIA.

Table IV following shows the cost of handling 1,391,711 boxes of lemons from the tree to the car in 1910-11, including the cost of picking, the cost of hauling to the packing house, and the cost of packing the fruit, including the loading on the car. These costs average \$0.888 per packed box, making the i. o. b. cost of a box of California lemons approximately \$1.89.

TABLE IV.—The cost of handling lemons per packed box from the tree to the car, season 1910-11.

Account.	Boxes shipped.	Cost of picking.	Cost of hauling.	Cost of packing.	Total.
	Number.	Cents.	Cents.	Cents.	Cents.
No. 4	31,781	28.5	1.5	59.8	89.8
No. 6	4,149	30	3	50	83
No. 8	72,500	25	7	60	92
No. 10	60,627	20	3.5	52	75.5
No. 11	49,200	25	3	60	88
No. 12b	72,189	29.4	3	67	99.4
No. 14	20,871	26	5	55	86
No. 20	15,527	22.2	4	75	101.2
No. 25	109,203	22	5	65	92
No. 36	13,200	20	2	50	72
No. 39	17,317	30	4.5	57	91.5
No. 45	216,522	25	5	58.08	88.08
No. 46	68,000	30	4	65	99
No. 48	75,271	31.76	3	66.3	101.06
No. 51	30,253	25	5	68.7	98.7
No. 52	35,866	25	7	63.6	95.6
No. 56	31,943	22.2	2.5	79	103.7
No. 57	114,902	23	3	53.75	79.75
No. 64	40,569	20.6	3	65.8	98.4
No. 65	94,387	21.6	2.61	53.3	77.51
No. 66	145,460	27.8	3.5	51	82.3
No. 69	47,738	24	4	62	90
No. 71	24,236	17	2	54.5	73.5
Total or average	1,391,711	25.3	3.9	59.6	88.8

SUMMARY OF THE COST OF PRODUCING LEMONS IN CALIFORNIA, INCLUDING TRANSPORTATION AND MARKETING CHARGES.

Cultural costs	\$1.00
Cost of picking, hauling, and packing	.888
Cost of freight	.84
Average cost of refrigeration, 1909-1911	.026
Average cost of selling	.070
Total cost laid down in the market	2.824

The average number of lemons per box is 27½ dozen. The average wholesale cost of California lemons laid down in the markets of the United States, based on the cost of production, cost of transportation, and cost of selling, is 10½ cents per dozen.

THE CITRUS PROTECTIVE LEAGUE OF CALIFORNIA,
G. HAROLD POWELL,
Secretary and Manager.

It will be noticed that the table showing the cost of the several orchards of the San Diego Fruit Co. shows a less cost per acre. This results, in part, from the fact of its small charge for water, and that some items of cost included in this larger and more comprehensive table are entirely omitted.

COST OF PICKING, CURING, AND PACKING.

Mr. President, the tables previously submitted have given the cost of preparing the land, planting the trees, and the care and cultivation of the orchard. I desire now to take up the cost of picking, hauling, and packing the fruit ready for shipment to market. This is demonstrated by tables made up from actual experience, as in the case of the tables previously submitted. I am about to call to the attention of the Senate a table giving the numbers of the associations, taken as evidence, 23 in num-

ber, including approximately 700 groves; number of boxes of lemons shipped, and in separate columns the cost of picking, hauling, and packing per box, followed by the total for the entire shipment for each item of expense. Then the average per box for each item of expense is given, and the total per box for all. This table shows the average cost of caring for the fruit from the field where it is grown to the car in which it is packed for shipment as I have described the process, taking these several associations, to be 88.8 cents per box. The fruit of these associations is usually harvested, not by the grower, but by trained gangs of labor in the employ of the association to which he belongs. The association also picks the fruit. The figures given in the table above are comprehensive and exact, except the cost of hauling, which, in a few cases, has been conservatively estimated.

The table is as follows:

Cost of handling lemons, per packed box, from the tree to the car, season 1910-11.

Account.	Boxes shipped.	Cost of picking.	Cost of hauling.	Cost of packing.	Total.
		Cents.	Cents.	Cents.	Cents.
No. 4	31,781	28.5	1.5	59.8	89.8
No. 6	4,149	30	3	50	83
No. 8	72,500	25	7	60	92
No. 10	60,627	20	3.5	52	75.5
No. 11	49,200	25	3	60	88
No. 12b	72,189	29.4	3	67	99.4
No. 14	20,871	26	5	55	86
No. 20	15,527	22.2	4	75	101.2
No. 25	109,203	22	5	65	92
No. 36	13,200	20	2	50	72
No. 39	17,317	30	4.5	57	91.5
No. 45	216,522	25	5	58.08	88.08
No. 46	68,000	30	4	65	99
No. 48	75,271	31.76	3	66.3	101.06
No. 51	30,253	25	5	68.7	98.7
No. 52	35,866	25	7	63.6	95.6
No. 56	31,943	22.2	2.5	79	103.7
No. 57	114,902	23	3	53.75	79.75
No. 64	40,569	20.6	3	65.8	98.4
No. 65	94,387	21.6	2.61	53.3	77.51
No. 66	145,460	27.8	3.5	51	82.3
No. 69	47,738	24	4	62	90
No. 71	24,236	17	2	54.5	73.5
Total	1,391,711	25.3	3.9	59.6	88.8
Average		25.3	3.9	59.6	88.8

TOTAL COST OF PRODUCTION.

I have endeavored in what I have already said to inform the Senate of the actual cost of producing lemons from the preparation of the ground for the trees to the loading of the boxes of fruit packed for use on the cars ready for shipment, segregating the items. In some of the tables the cost per acre has been given. But as the tariff on lemons is levied by the pound I have had the expenses in each case reduced to boxes, which contain 72 pounds of fruit each, and had them brought together in such a way as to show the actual cost of the fruit to the producer on the car ready to be transported to market. The average cultural cost per acre on 143 groves covering 3,658.4 acres is \$197.15. The average yield per acre as shown hereafter is 196.2 boxes, making the average cultural cost per box approximately \$1. The average cost of handling from the tree to the car is 88.8 cents per box, making a total cost of about \$1.888 per box on board car.

COST OF TRANSPORTATION.

This leaves us still to consider the cost of transportation to market. This at the present time must be by rail and not by water and is easily ascertained. The freight to all points from Salt Lake City east, except to the southeastern territory, and therefore in the markets where chiefly the home production comes in competition with foreign fruit, was, as fixed by the railroads, \$1 per hundredweight. After the tariff rate on lemons was increased by the tariff law of 1909, the railroad companies advanced the rate from \$1 per hundredweight to \$1.15. This increase was contested by the growers, before the Interstate Commerce Commission, as unreasonable. Pending the hearing and decision of this question, as a result of an injunction issued by the United States Circuit Court in southern California, the full rate of \$1.15 has been paid during the pending of the litigation, but the extra 15 cents was deposited with a trust company to be held until the legality of the \$1.15 rate was finally determined. It will then be paid either to the railroad companies or back to the growers, in conformity to the decision.

The Interstate Commerce Commission decided, in favor of the growers, that the increased rate was unreasonable. In the meantime the new Commerce Court was established, and the matter was appealed to that court and decided against the shippers, reversing the decision of the commission in their favor on technical grounds and referring the case back to the commission. The case was then retried before the commission, which reaffirmed its original decision, and on a second appeal by the railroads to the Commerce Court that court sustained the \$1 rate established by the commission. The case has been appealed to the Supreme Court of the United States.

The weight of a box of lemons is 84 pounds. Therefore the rate is \$1 per hundredweight, or 84 cents per box. Adding this freight charge to the cost of production, as given above, we find that it costs the California grower to lay down his lemons in New York or any other of the eastern cities \$2.728 per box, exclusive of refrigeration, which in the last two years has added an average of 2.6 cents per box to the transportation charge. From these data it will be seen that the average cost of placing a box of lemons on the cars in California is \$1.89; the average transportation charge is 86.6 cents per box; the average selling cost is 7 cents per box, making a general wholesale cost of California lemons in the market of \$2.824 per box, or at the rate of 10½ cents per dozen, an average box containing 27½ dozen lemons.

COST OF PRODUCING AND SHIPPING THE FOREIGN PRODUCT.

This brings us to a comparison between the cost of production and shipment in California and in Italy, our chief competitor. As I have already said, the cost of producing the foreign product is more difficult to arrive at, and the data I am able to furnish is not as accurate or satisfactory as that given of the cost at home. But the main items of cost and expense are easily ascertained, and that alone will enable Senators to make such comparison as will satisfy them of the necessity for a protective tariff on our lemons and that the present tariff is reasonable and just.

The information I am about to submit is not in the form of mere estimates in respect of the main items of cost and expense. It does not come alone from public reports in either the foreign country or our own, or both. As I have already said, the data was obtained in large part by personal investigation by a competent and reliable man sent to Italy for the purpose and made on the ground. I submit for the consideration of the Senate the following statement, showing such cost and expense from information gathered as I have stated, which may be relied upon as fairly correct:

The wages paid to laborers who work in the groves are as follows: Superintendent or custodian, about 56 to 77 cents per day; ordinary laborers, 39 to 58 cents; women, 19 to 34 cents; boys, 20 to 34 cents.

The wages paid to laborers who work in the packing houses are as follows: Foreman, 77 to 97 cents; women graders, 29 to 37 cents; men, 58 to 77 cents; boys, 23 to 39 cents; girls, about 23 cents per day.

The lemon groves are small, varying from a few trees to several acres. The trees are planted very close together, from 9 to 15 feet apart, making a large fruit-bearing surface. The groves yield on the average about 300 boxes per acre, the variations in commercial orchards ranging from 246 to 450 boxes.

The cost of bringing a lemon grove into bearing includes the value of the land, which may vary from \$50 to \$200 per acre, including water; the cost of preparing the land for planting, which is estimated by growers in the Palermo district to vary from \$25 to \$75 per acre; the trees, which are usually grown by the growers, but which cost \$20 per hundred or less in large quantities when purchased, or \$32.40 per acre of 162 trees; the cost of planting, which varies from \$5 to \$10 per acre. One of the best-known growers in the Palermo district estimates that it costs on the average of 1,500 lire per hectare to prepare the land, purchase and plant the trees, or an equivalent of \$117.16 per acre; adding to this the cost of the land and water, a planted grove may represent an outlay of \$167.16 to \$317.16 per acre.

The cost of bringing the grove into bearing after it is planted varies with the method of handling young orchards. Where the land is given over entirely to the young trees, the cultural expenses equal about one-third the annual average cost of caring for a grove in full bearing, or from \$10 to \$30 per acre. The expense for five years would vary from \$50 to \$150 per acre, and at eight years from \$80 to \$240 per acre, making a grove of five years old cost in total, exclusive of taxes, from \$217.16 to \$467.16 per acre, and at 8 years old, when the trees should be in good bearing, from \$247.16 to \$557.16 per acre.

COST OF DOMESTIC PRODUCT AND FOREIGN IMPORTS COMPARED.

This brings us to a comparison of the cost of production here and abroad. I have submitted this data, the result of much labor and painstaking effort, to arrive at the truth, and to enable those Senators who stand upon the doctrine of difference in cost of production as the basis of fixing tariff rates to act intelligently on this question, so important, so vital to one of the greatest and most important industries in my State. I am asking no favors from any Senator. My people have no right to ask favors when it comes to making laws. What I ask for is justice and fair dealing. The men who have put millions into this industry, many of them having invested in it all they have in the world, are entitled to justice. No Member of Congress has the right to deny it to them. The law-maker who seeks to use the reduction of the tariff on lemons for political or partisan advantage is trifling with his duty and bartering away the property rights of the people of my State.

I am not going to leave it open to anyone to say that he is not informed on the subject. There is no excuse for one dealing in glittering generalities on an important question like this when the facts are at hand. The facts that can not be disputed show that the difference in the cost of production here and abroad is so great that to deny this industry protection would mean its absolute and speedy ruin, leaving the consumers at the mercy of the foreign importers and reducing the revenues of the Government more than two millions of dollars a year. It proves more than that. It proves that the tariff now existing does nothing more than to put the home producer on an equal footing with the foreign producer in the markets of this country, if it does that much. I am presenting this question upon the facts. They must speak for themselves.

The comparative cost of production in Italy and in this country may be fairly stated as follows:

	California.	Italy (approximate).
Cultural cost per box.....	\$1.00	70.30
Picking and other grove expenses.....	.253	.14
Hauling from grove to packing house.....	.039	.08
Packing and loading charges.....	.596	.39
Total.....	1.888	.91

The difference in the cultural and handling costs is approximately 97.8 cents per box, not considering interest on investment or depreciation on the buildings, stock, equipment, groves, or the purchase of equipment.

COST OF TRANSPORTATION.

The cost of transportation is another important matter to be considered. I have shown that the freight rates to domestic growers to all points where their fruit comes in contact with the foreign product is 84 cents per box at the rate now in force. The net cost to the Italian importer to New York is not over 30.4 cents per package of 85 pounds, or 35.8 cents per hundredweight. The freight rate, which was recently raised to provide a rebate for the shipper to fight the tariff, according to a statement furnished by the office of the American consul at Palermo, includes a rebate of 6 cents per package to the shipper whenever the number of boxes is over 1,000, also a rebate of 4 cents since April 1, 1911, for the defense of the Italian lemon trade. The freight charges to various cities on imported lemons and the difference between the amount charged as between foreign and domestic shippers is as follows:

The freight rate per 100 pounds on imported lemons, based on the 30-cents-per-box rate, is 35.8 cents to New York; from Palermo to Pittsburgh, Pa., including the ocean and carload rates in the United States, 65.8 cents; from Palermo to Cincinnati, Ohio, or Chicago, Ill., 75.8 cents. The rate from California to these points is \$1 per 100 pounds, making a difference of 64.2, 34.2, and 24.2 cents per 100 pounds in favor of the imported lemons to these cities, respectively. The difference per box in favor of the Italian lemons is to New York, 53.6 cents; to Pittsburgh, Pa., 28.1 cents; to Cincinnati, Ohio, and Chicago, Ill., 19.6 cents.

A more complete showing of the cost of transportation will be found in the following tables.

Railroad freight rates on imported oranges and lemons in the United States from five seaports to six interior points, 85 pounds per box.

From—	To—	Rates in cents per 100 pounds.			
		Oranges.		Lemons.	
		Carload.	Less than carload.	Carload.	Less than carload.
New York.....	Pittsburgh, Pa.....	30	39	30	39
	Cincinnati, Ohio.....	40	57	40	57
	Chicago, Ill.....	40	65	40	65
	Poplar Bluff, Mo.....	183	128	183	128
	Shreveport, La.....	75	124	75	124
Boston.....	Houston, Tex.....	1132	1223	1132	1223
	Pittsburgh, Pa.....	30	39	30	39
	Cincinnati, Ohio.....	41	49	38	49
	Chicago, Ill.....	47	57	38	57
	Poplar Bluff, Mo.....	192	121	181	121
Philadelphia.....	Shreveport, La.....	75	124	75	124
	Houston, Tex.....	1141	1216	1130	1216
	Pittsburgh, Pa.....	28	31	28	31
	Cincinnati, Ohio.....	38	49	38	49
	Chicago, Ill.....	38	57	38	57
Baltimore.....	Poplar Bluff, Mo.....	181	120	181	120
	Shreveport, La.....	75	124	75	124
	Houston, Tex.....	1130	1216	1130	1216
	Pittsburgh, Pa.....	27	33	27	33
	Cincinnati, Ohio.....	37	49	37	49
New Orleans.....	Chicago, Ill.....	37	57	37	57
	Poplar Bluff, Mo.....	180	120	180	120
	Shreveport, La.....	75	124	75	124
	Houston, Tex.....	1129	1215	1129	1215
	Pittsburgh, Pa.....	50	90	50	90
	Cincinnati, Ohio.....	44	83	44	83
	Chicago, Ill.....	47	90	47	90
	Poplar Bluff, Mo.....	163	194	163	194
	Shreveport, La.....	25	60	25	60
	Houston, Tex.....	13½	21½	13½	21½

¹ Combination based on St. Louis.

According to data received from the Interstate Commerce Commission, October 11, 1911, foreign lemons are shipped from New York, Brooklyn, or Jersey City to western points in carload lots of a minimum weight of 20,000 pounds, the packages measuring 27 by 14 by 13 inches in diameter and estimated to weight 85 pounds per box. The half boxes measure 27 by 14 by 6½ inches and are estimated to weigh 45 pounds per half box.

The freight rate on lemons from California to the five points mentioned above is \$1 per hundredweight in carload lots of 26,200 pounds minimum weight, or of 33,000 pounds in collapsible bunker cars, with the bunkers thrown up. The lemons are shipped at an estimated weight of 84 pounds per box.

The table following shows the rate per hundred pounds and per box on lemons in carload quantities from Italy, and from California to New York, Pittsburgh, Cincinnati, and Chicago, with the difference in favor of the Italian lemons:

Rates on California and Italian lemons to New York, Pittsburgh, Cincinnati, and Chicago.

To—	Per hundredweight.			Per box.		
	Carload lots.		Difference in favor of Italy, per hundredweight.	Carload lots.		Difference in favor of Italy, per box.
	California.	Italy. ¹		California.	Italy.	
New York.....	\$1.00	\$0.358	\$0.642	\$0.84	\$0.304	\$0.536
Pittsburgh.....	1.00	.658	.342	.84	.559	.281
Cincinnati.....	1.00	.758	.242	.84	.644	.196
Chicago.....	1.00	.758	.242	.84	.644	.196

¹ Based on rate of 30.4 cents per box of 85 pounds to New York and not including transfer charge in New York of 3 cents per box. From the 30.4-cent rate a rebate of 6 cents should be deducted on all lots of 1,000 boxes or over.

The foregoing were compiled from data from the Interstate Commerce Commission, and show the freight rates in force August 3, 1911.

Mr. THOMAS. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Colorado?

Mr. WORKS. I do.

Mr. THOMAS. I should like to ask the Senator if he has considered, or if his attention has been called to the fact, that the California growers dispose of their product in the central part of the country, in the State of Colorado, for example, by charging the consumer the New York price plus the rate of the freight from the seaboard to the interior points? There seems to me to be a protective tariff to-day in the shape of a railroad rate that is largely prohibitive of any competition from Sicily, in so far as it affects the interior of the country, where an enormous amount of the lemon crop is consumed, we being entirely at the mercy of those freight rates, and therefore compelled to pay them. I should like to ask the Senator whether

that is not a very considerable protection in itself as to a very large portion of this crop, since it is taken advantage of and added to the cost price to the consumer?

Mr. WORKS. No, Mr. President; though it may exist, I do not know of any such custom as that to which the Senator refers. I am not pretending to dispute what he says about it, because I am not informed on the subject; but if it should be true, it is no protection. The competition between California and the Italian growers is almost entirely in the eastern market. I imagine that very few Italian lemons will be found in Denver, for example.

Mr. THOMAS. That is true, Mr. President, and for the reason which I gave. There is no competition between the California lemon grower and the Italian lemon grower in the interior of the country, because the freight rate is prohibitive, and because it is prohibitive it is added by the California lemon grower to the cost of his product to the consumer.

Mr. WORKS. I do not understand that to be so, Mr. President; but if it be so, of course the farther the Italian shipper has to carry his fruit west the greater the freight rate he has to pay. I have been comparing the eastern market and Illinois, for example, for the purpose of showing the difference. The farther they go into the interior of this country, of course the greater the freight rate they must pay in order to compete with the California product.

WAGES.

The matter of wages is an important one in determining what is a just measure of protection to our home industry. Mr. Powell, before referred to, has made a careful and systematic investigation of the wages paid in Italy, and has tabulated the result of his investigation.

Under the heading of "Wages paid in the lemon districts in Italy," he says:

The wage of the different kinds of labor in the Italian groves depends on the section, the conditions under which it is employed, and the class of work. In a general way most of the labor is paid by the day, sometimes as a straight wage, at others with a lower wage and with part payment in wine, bread, or other privileges.

The laborers are composed of men, women, and children. The heavy work in the groves is done by men, the wages varying from 40 to 55 cents per day. The picking of the fruit, carrying it to the sheds, and stemming it may be done by men, women, or by children. The preliminary wrapping and grading of the fruit in the groves is usually done by women and the packing in the groves by men. In the packing houses the heavy work is done by men, but the sorting and wrapping is done by women and children.

According to Dr. Lorenzoni (loc. cit.) 30 per cent of the agricultural day laborers in some of the coast districts of Sicily is composed of women, and in some sections 30 per cent is made up of boys.

The custodians in charge of the groves are paid by the day, the month, or the year, either in cash or part in cash and part in privileges, such as house rent, garden, gun license, wine, wheat, etc.

As a general rule wages are higher on the north coast of Sicily than on the coast from Messina to Syracuse, the grove laborers in the former region receiving about 50 cents per day as compared with 40 on the latter coast.

According to a statement furnished the writer by Dr. Lorenzoni in April, 1911, the average wage of the ordinary men laborers in the groves is 2½ lire (48½ cents) per day. The men fruit pickers are paid 20 centimes per day more, or about 52 cents. In the packing houses the men are paid from 3 to 3½ lire (57.9 to 67.55 cents) per day; the women, on the average, from 1 to 1.20 lire (19.3 to 23.16 cents) per day, and the boys about the same wage as the women.

The wage question was investigated by the writer in the district in the Province of Palermo and along the Messina-Catania coast in the spring of 1911.

The table following shows the range in wages found in the grove labor in Sicily with a comparison of the wages paid in the lemon groves of California at the same period:

Wages paid to laborers working in lemon groves in California and in Italy, 1911.

[Unless otherwise stated, all labor paid by the day.]

	California.	Italy.
General superintendent.....	\$75 to \$150 per month.....	3 lire to 4 lire with privileges (\$0.579-\$0.772).
Custodian or superintendent.....	.....
Foremen.....	\$55 to \$150 per month.....	
Subforeman.....	\$50 to \$100 per month.....	2 to 3 lire (\$0.386-\$0.579).
Teamsters.....	\$56.50 to \$65 per month.....	
Irrigators.....	\$1.80 to \$2.25.....	
Ordinary laborers.....	.....
Pruning foreman.....	\$2 to \$4.50.....	
Pruners.....	\$1.75 to \$3.....	
Picking foreman.....	\$2.25 to \$3.50.....	
Pickers.....	\$1.50 to \$2.50.....	
Carriers:	.....
Men.....	.....
Boys.....	.....
Stemmers (women).....	2.50 to 4 lire (\$0.48½-\$0.772).
Do.....	.....
Boy helpers.....	2.40 to 3 lire (\$0.463+\$0.579).
Girl helpers.....	.....
Women sorters or other labor.....	2.40 to 3 lire (\$0.463+\$0.579).
Sprayers.....	\$2 to \$3.....	
Fumigators.....	\$2.10 per day to 50 cents per hour.....	1.50 to 1.75 lire (\$0.29-\$0.338).
Other grove labor.....	\$1.75 to \$2.50.....	

The table following shows the range in wages found in the labor in the packing houses in Sicily with a comparison of the wages paid in the packing houses in California at the same period:

Wages paid to laborers working in the lemon-packing houses in California and in Italy, 1911.

[Unless otherwise stated, wages are per day.]

	California.	Italy.
Manager.....	\$500 to \$3,000 per year.....	4 to 5 lire (\$0.772-\$0.965).
Foremen.....	\$75 to \$150 per month.....	
Subforemen.....	\$60 to \$85 per month.....	2 lire (\$0.386).
Forewomen.....		
Graders:		
Men.....	\$1.75 to \$3.....	1.50 lire (\$0.29).
Women.....		Do.
Wrappers (women).....		3.50 to 4 lire (\$0.676-\$0.772).
Lemon packers.....	4 to 8 cents per box; \$2 to \$4.50 per day.....	Do.
Pressmen.....	\$2 to \$3.15.....	2 lire (\$0.386).
Helper to pressman.....		
Car loaders.....	\$2 to \$3.15.....	
Truckmen.....	\$1.75 to \$3.....	
Porter to carry boxes.....		3 lire (\$0.579).
Box makers.....	\$2 to \$4.50.....	4 lire (\$0.772).
Other packing-house labor.....	\$1.75 to \$3.....	
Boy helpers.....		1.20 to 2 lire (\$0.232 to \$0.386).
Girl helpers.....		1.20 lire (\$0.232).
Clerical help.....	\$50 to \$100 per month.....	\$20 to \$30 per month.

The difference in the cost of labor in this country and abroad is here clearly shown and is very marked. This difference alone should establish the right of the lemon growers of this country to a protective tariff.

But I desire to follow this subject of expense to the foreign grower still further covering the cultural cost, cost of picking, of hauling the fruit to the packing house, and the final packing for export. I again quote from Mr. Powell:

The cultural costs on the better groves appear to vary from \$65 to \$100 per acre and the yields from 250 to 350 boxes per acre, making the cost per box vary from \$0.186 to \$0.40 per box. In the Alcantara Valley the cost varied from \$0.15 to \$0.208 per box; in the Province of Messina, according to the International Institute of Agriculture, from \$0.194 to \$0.222 per box; in Palermo, Messina, Syracuse, and Catania, according to the Italian minister of agriculture, from \$0.209 to \$0.322 per box. According to Dr. Cheney the cost per box based on one of the highest authorities is \$0.104, and according to Marasa, whose statement was prepared at the request of the importers of lemons in New York, to be used in the effort to reduce the duty on lemons, \$0.414 without taxes and \$0.457 with taxes.

The average cost of the cultural expenses, including taxes, would probably not exceed \$0.30 per box, while it might reach 40 to 45 cents per box as an average maximum cost. This means that it costs on the average \$90 per acre to produce 300 boxes of lemons, which the foregoing data show to be conservatively stated.

THE COST OF PICKING.

There is not a wide variation in the cost of picking, stemming, or packing the fruit in a preliminary way in the orchards. A man or woman will pick about 5,000 to 7,000 lemons per day for export, or the equivalent of 15 to 20 packed boxes. He may pick 8,000 to 10,000 for by-products. In a grove in the Palermo district, where the operations were studied as representative of the district, the following labor picked, stemmed, graded, and packed on the average 40 boxes daily:

2 pickers at 3 lire per day, who also carried the fruit to the packing house after stemming.....	6.00
1 stemmer at 3 lire per day.....	3.00
2 boys to carry baskets to stemmer and help stem the fruit at 1½ lire per day.....	3.00
2 women to grade and wrap fruit at 1½ lire per day.....	3.00
2 men to pack and nail boxes at 4 lire per day.....	8.00
1 boy helper in packing house at 2½ lire per day.....	2.50
Total lire (= \$4.92).....	25.50

The cost per box in this grove was 12.3 cents; 5.8 cents for picking, stemming, and delivering to packing house and 6.5 cents for the grading, wrapping, and placing in the box. A large proportion of the fruit that is delivered to the packing house is unwrapped. In the groves on the level land the cost of picking, sorting, and packing is often cut down 2 cents a box. In groves where the conditions of labor are still more difficult the cost may be raised a cent or two per box above the figures given.

Marasa gives the total cost of picking, stemming, and storing at 11 cents and the sorting, wrapping, and placing in the box at 5 cents, a total of 16 cents. In many of the groves the fruit is packed under the trees and there is no delivery of the fruit to the grove packing houses.

WAGES PAID IN PICKING THE FRUIT.

A prominent business man and lemon grower furnishes the following data showing the wages paid to the different people concerned in the picking of the fruit in the Palermo district in May, 1911:

Foreman, 5 lire per day; pickers (men), 2.40 to 3 lire; women and boys, 1.50 to 2 lire; men to carry fruit to packing house, 2.40 to 3 lire; carters to haul the fruit to Palermo, 3 lire per load of 20 boxes, or 2.9 cents per box for distances from 7 to 19 kilometers (4.35 to 11.8 miles).

COST OF HAULING FRUIT TO PACKING HOUSE.

The cost of hauling the fruit to the packing house in Palermo varies with the distance and the method of transporting. In a few

groves located in the foothills in the Monreale district, the lemons are packed out to the wagon road on mule back at a cost of about 3 cents per box per mile. The average haul will not equal a mile and only a small proportion of the crop is handled in this manner.

According to data furnished by Mr. De Soto, the cost of hauling by cart to Palermo, distances of 5 kilometers (3.10 miles) varies from 3 to 4 cents per box; 10 kilometers (6.21 miles), 5 to 6.75 cents. On trips of this distance a cart is loaded with 20 to 24 boxes. From Carlini to Palermo, a distance of 16 to 18 miles, the cost is about 13 cents per box; from Bagheria, about 11 miles distant, 6 to 8 cents per box; from Montelepre, 11 to 12 miles distant, 9 to 10 cents per box. On the long trips a cart is loaded with 12 to 16 boxes. The cost of delivery by cart to Palermo varies from 3 cents per box, with a possible average of 6 to 8 cents per box.

The carload rate from Santa Christine Gela on the Messina line to Palermo is 80 lire (\$15.44) per car of 10,000 to 11,000 kilos (22,046 to 24,251 pounds).

A box of lemons in Italy is estimated at 42 kilos (92.6 pounds), making the rate per box 5.9 to 6.5 cents per box. The cost of unloading the car in Palermo varies from 2 to 3 lire (38.6 to 57.9 cents), or at the rate of about one-sixth of a cent per box. The cost of hauling from the car to the packing house in Palermo varies from eight-tenths of a cent to 1 cent per box, making a total cost of delivery of about 6.8 to 7.6 cents per box.

The cost of delivering the fruit to the packing house varies from 3 to 13 cents where the fruit is hauled out of the grove on mule back, making an average cost of 6 to 8 cents per box.

THE PACKING OF THE FRUIT FOR EXPORT.

The final packing of the fruit is done in the packing houses of the exporters in Palermo or other ports of export. The packing houses are located in the business part of the cities near the water front. The house is frequently the ground floor of a dwelling; or the box making and repairing, the receiving, and shipping rooms, and the packing room may occupy the entire structure. There is little equipment in an Italian packing house. All the labor is performed by hand and from one-half to three-fourths of the labor is performed by women and children. The only equipment of note is the rows of benches into which the fruit is graded and the baskets used in grading and carrying the fruit in the packing house. The packing operation consists in unpacking the fruit as it comes from the groves, regrading, wrapping, packing the lemons into boxes and nailing on the covers and hoops. The packed boxes are then carted to the wharf, lightered in small boats to the steamer which is anchored a short distance away, and are loaded in the vessel that carries them to their destination.

In the packing operations, the labor is usually divided into crews, consisting of 1 foreman, 1 woman sorter, 3 women wrappers, 1 boy to hand the fruit to 1 man packer, and 1 nailer to every 4 packers.

In one large house where the operations were studied in detail the wages paid in May, 1911, were: Women, 1 lira each; boys, 2 lire; packers, 4 lire; nailer, 3½ lire; and foreman, 4 lire per day.

The wages paid to the different kinds of packing-house labor in Palermo, 1911, is as follows:

	Per day.
Foreman.....	\$0.80 to \$1.00
Men packers.....	.70 to .75
Box nailers.....	.70 to .80
Porter to carry fruit to nailer, etc.....	.60 to .70
Women graders and wrappers.....	.20 to .25
Boy helpers.....	.20 to .40

The working hours are from 7 a. m. to 11 a. m. and from 12 noon to 5 p. m.

THE COST OF PACKING THE FRUIT FOR EXPORT.

During 1911 the exporters in Palermo invoiced the costs of the packing operations about as follows: Empty boxes of American sides, tops, and bottoms, 80 centimes (15.4 cents); foreign-made boxes, 85 centimes (16.4 cents); the cost of packing, which includes labor of all kinds, nails, paper, tinsel, etc., from 50 to 60 centimes (9.65 to 11.58 cents); the usual invoice being about 55 centimes (10.6 cents); the transportation from the packing house to the lighter, from 0.25 to 0.45 lira (4.8 to 8.7 cents); and the cost of lightering, from 0.04 to 0.32 lira (8 mills to 6.2 cents), the usual lighterage charge being 0.10 lira (1.9 cents). According to the invoices of the exporters, the average cost of the packing-house expenses from the time the fruit reaches the packing house till it is placed on the steamer is about 35 cents per box. Some of the exporters add insurance to the invoice, amounting to about 0.5 centime (9.6 mills). There is a charge also of 13 lire per invoice (\$2.51) made by the consular agency, which adds from a small fraction of a cent to a cent and a half or more per box. Including the consular invoice, the insurance, and the packing and transportation to the steamer, the cost varies from 36 to 42 cents per box, with an occasional higher cost for fruit handled under unusual conditions. All of these costs are matters of official record, the consular invoice on lemons being a statement of the unit value that enters into a shipment of lemons.

After this segregation of the different items of expense incurred in the production of the fruit and its preparation for shipment and loading on steamer, the following table shows the total cost by arriving, as in case of the domestic grower, at a fair average of such expenses.

THE TOTAL COST OF PRODUCING AND HANDLING LEMONS IN ITALY.

From the foregoing data it will be seen that the cost of producing lemons in Italy may vary approximately, as follows:

	Cost.	Average.
Cultural cost, per box.....	\$0.15 - \$0.45	\$0.30
Picking, stemming, and delivering to packing house.....	.058 - .11	.084
Preliminary grading and packing in grove.....	.05 - .065	.057
Delivery from grove to packing house at point of shipment.....	.03 - .13	.08
Packing house charges, loading on steamer.....	.36 - .42	.39
	.648 - 1.175	.911

COMPARISON OF TOTAL COST.

This leaves us only to compare the cost of the foreign grower with that of the producer in this country to arrive at the difference in cost here and abroad. The comparative cost is as follows:

	Italy.	California.
Cultural cost, per box.....	\$0.30	\$1.00
Picking, stemming, and delivering to packing house in grove.....	.084	.253
Preliminary grading and packing in grove.....	.057	
Delivery from grove to packing house at point of shipment.....	.08	.039
Packing-house charges and loading for shipment.....	.39	.596
Total.....	.911	1.888
Freight to New York.....	.30	.84
Total cost of production and freight.....	1.211	2.728
Difference in cost of production.....		.978
Difference in cost of freight.....		.54
Total difference in favor of Italian producer.....		1.518

This shows that it costs the California grower \$1 more to grow a box of lemons and prepare it for shipment than it costs a grower in Italy. If we add to this the difference in the freight rate of 84 cents a box that our people must pay with that of 30 cents net that is paid by the importer of lemons from Italy, we have a difference of \$1.52 as the cost of production and freight on lemons to New York in favor of the foreign producer.

It may be relied upon that this is a fair showing of the actual difference in the cost of these competing lemon growers. It can not be said that it is accurate or exact, for that is impossible. But it is sufficient to show that no reduction can be made in the present tariff without sacrificing the interests of our own growers.

Mr. President, so far I have considered only the interests of the producers. The rights and interests of the consumers have not yet been touched, nor have I considered the effect of the present tariff upon the revenues of the Government. Leaving those out of the question for the present, no one can deny that as between the foreign and domestic growers the tariff now in force is none too high to protect our own growers and put them on an equality with their foreign competitors. Therefore, there can be but two reasons advanced, if we are to leave politics out of the controversy, for reducing the tariff: One is that the reduction will benefit the consumer by reducing the price of lemons; the other, that such reduction will increase the revenue of the Government. Of course the proposition to put lemons on the free list leaves the latter out of consideration and can appeal only to the believer in free trade. I shall proceed to show that neither of these claims is founded on the facts as they exist, but that experience under the present and previous tariff laws shows that the higher tariff has not increased the price of lemons to the consumer, and that it has increased and not diminished the revenues of the Government. The best and most practical way to disprove the claim that the increase in the tariff rate in 1908 increased the price to the consumers is to take the actual figures showing the prices at which lemons have been selling at retail for several years past.

I submit for this purpose tables of prices, weekly, for the years 1905 to 1911, inclusive, in New York, Baltimore, Washington, Boston, Kansas City, and Minneapolis:

Retail prices per dozen lemons.

NEW YORK CITY, 1904 TO SEPTEMBER, 1911.

[From files New York Evening Sun.]

Month.	Week of year.	1904	1905	1906	1907	1908	1909	1910	1911
January.....	1	Cents. 20-25	Cents. 25	Cents. 35	Cents. 40-50	Cents. 25-40	Cents. 25-40	Cents. 25-40	Cents. 25-40
	2	20	25	30	25	25-40	25-40	25-40	25-40
	3	20	25	30	25	25-40	25-40	25-40	25-40
	4	20	25	30	25	25-40	25-40	25-40	25-40
February.....	5	20	25	30	25	25-40	25-40	25-40	25-40
	6	20	15-25	30	25	25-40	25-40	25-40	25-40
	7	20	15-25	30	25	25-40	25-40	25-40	25-40
	8	20-25	15-25	30	25	25-40	25-40	25-40	25-40
March.....	9	20	25	15-25	30	25	25-40	25-40	25-40
	10	20	25	15-25	30	25	25-40	25-40	25-40
	11	20	25	15-25	25	25	25-40	25-40	25-40
	12	25	25	15-25	25	25	25-40	25-40	25-40
April.....	13	20	25	15-25	25	25	25-40	25-40	25-40
	14	20	25	15-25	25	25	25-40	25-40	25-40
	15	20	25	15-25	25	25	25-40	25-40	25-40
	16	20	25	15-25	25	25	25-40	25-40	25-40
July.....	17	20	20-25	15-25	25	25	25-40	25-40	25-40

Retail prices per dozen lemons—Continued.

NEW YORK CITY, 1904 TO SEPTEMBER, 1911—continued.

Month.	Week of year.	1904	1905	1906	1907	1908	1909	1910	1911
May.....	18	Cents. 20	Cents. 20	Cents. 15-25	Cents. 25	Cents. 25	Cents. 20	Cents. 20-30	Cents. 20-30
	19	20	20	25	25	25	12-20	20-30	20-30
	20	20	20	25	25	25	12-20	20-30	20-30
	21	20	20	25	25	25	12-20	25-35	25-35
June.....	22	20	20	25	25	25	12-20	35	35
	23	20	20	25	25	25	20	35	35
	24	20	20	25	20	25	20	35	35
	25	20	20	25	20	25	20	35	35
July.....	26	20-25	20	25	25	25		35	35
	27	25	25	25	25	25	20	25-35	25-35
	28	20	25	25	25	25	20	25	25
	29	20	25-30	25	25	25	20	25	25
August.....	30	20	30	25	25-30	25	20	25	25
	31	20	30	30	30	25	20	25	25
	32	20	30	30	30	25	20	25	25
	33	20	30	30	20-30	25	20	25	25
September.....	34	20	30	30	20-30	25	20	25	25
	35	20	30	30	20-30	25	20	20	25
	36	20	30	30	25-35	25	20	20	25
	37	20	30	35	25-35	25	20	20-30	25
October.....	38	20	30	35				30	
	39	20	30	35	25-35	25		30	
	40	20	30	30-40	25-35	25		30	
	41	20	30	40	25-35	25		30	
November.....	42	20	30	30-40	25	25		30	
	43	25	30	30-35	25	25		30-40	
	44	20-25	30	30-40	25	25		30-40	
	45		35	30-40	25	25		30-40	
December.....	46	20-25	35	35	25	25		30-40	
	47	25	30	35	25	25		30-40	
	48	25	30	35	25	25		30-40	
	49	25		35	25	25	25-40	30-40	
	50	25		35		40		30-50	
	51	25		35	25	40		30-50	
	52	25	25	35	25	40		25-50	

NEW YORK CITY, JAN. 1, 1904, TO APRIL, 1911, INCLUSIVE.

[From data furnished by a New York retail grocer.]

Month.	1904	1905	1906	1907	1908	1909	1910	1911
January.....	13	12	12	18	13	15	16	13
February.....	12	11	11	17	11	14	13	16
March.....	15	12½	19	16	13	13½	14½	15
April.....	13	12	15	22	11		15	16
May.....	12	13	20	21	12	12		
June.....	14	15	21	28	16	19	14	
July.....	16	25	20		15	26	26	
August.....	18	36	19	11	15	14	24	
September.....	19½		32	18	18	19	27	
October.....	24	33	47	19	24	15½	27	
November.....	17	24	26	19	19	22	27	
December.....	14	14	22	13	15	21	18	

Wholesale price and size per box furnished by grocer, to which 20 per cent was added to obtain retail price.

BALTIMORE, MD., JAN. 1, 1905, TO MAY 20, 1911.

[From city newspapers.]

Month.	Week of year.	1905	1906	1907	1908	1909	1910	1911
January.....	1-7	12-15	15-25	15-20	15-20	15-20	20-25	15-20
	8-14	12-15	10-20	15-20	15-20	15-20	20-25	15-20
	15-21	12-15	10-20	15-20	15-20	15-20	20-25	15-20
	22-28	12-15	10-20	15-20	15-20	15-20	20-25	15-20
February.....	29-31				15-20	15-20		
	2-7	12-15	10-15	15-20	15-20	15-20	20-25	15-20
	8-14	12-15	10-15	15-20	15-20	15-20	20-25	15-20
	15-21	12-15	10-15	15-20	15-20	15-20	20-25	15-20
March.....	22-28	12-15	10-15	15-20	15-20	15-20	20-25	15-20
	1-6	12-15	10-15	15-20	15-20	15-20	15-20	15-20
	7-13	12-15	10-15	15-20	15-20	15-20	15-20	15-20
	14-20	12-15	10-15	15-20	15-20	15-20	15-20	15-20
April.....	21-27	12-15	10-15	15-20	15-20	15-20	15-20	15-20
	28-31		10-15	15-20				
	1-7	12-15	10-15	15-20	15-20	15-20	15-20	15-20
	8-14	12-15	10-15	15-20	15-20	15-20	15-20	15-20
May.....	15-21	12-15	10-15	15-20	15-20	10-15	15-20	15-20
	22-28	10-12	10-15	20-25	15-20	10-15	15-20	15-20
	29-30	10-12					15-20	15-20
	1-7	10-12	10-15	20-25	15-20	10-15	15-20	15-20
June.....	8-14	10-12	10-15	20-25	15-20	10-15	15-20	15-20
	15-21	10-12	10-15	20-25	15-20	10-15	15-20	15-20
	22-28	10-12	15-20	20-25	15-20	10-15	15-20	
	29-31				15-20	10-15		
July.....	1-7	12-15	15-20	20-25	15-20	10-15	15-20	
	8-14	12-15	15-20	20-25	15-20	10-15	15-20	
	15-21	12-15	15-20	20-25	15-20	10-15	15-20	
	22-28	18-20	15-20	20-25	15-20	10-15	20-25	
	29-30		15-20	20-25				
	1-7	18-20	15-20	20-25	15-20	10-15	20-25	
	8-14	18-20	15-20	20-25	15-20	10-15	20-25	
	15-21	18-20	15-20	20-25	15-20	10-15	20-25	
	22-28	18-20	15-20	20-25	10-15	20-25	20-25	
	29-31	18-20				20-25	20-25	

Retail prices per dozen lemons—Continued.
BALTIMORE, MD., JAN. 1, 1905, TO MAY 20, 1911—continued.

Month.	Week.	1905	1906	1907	1908	1909	1910	1911
August.....	2-7	18-20	15-20	20-25	10-15	20-25	20-25	.....
	8-14	18-20	15-20	20-25	10-15	15-20	20-25	.....
	15-21	18-20	15-20	20-25	10-15	15-20	20-25	.....
	22-28	18-20	15-20	20-25	10-15	15-20	20-25	.....
	29-31	.....	.....	20-25	10-15	.....	20-25	.....
September.....	1-7	18-20	15-20	15-20	10-15	15-20	20-25	.....
	8-14	18-20	20-30	15-20	10-15	15-20	20-25	.....
	15-21	20-40	30-40	15-20	10-15	15-20	20-25	.....
	22-28	20-30	30-40	15-20	10-15	15-20	20-25	.....
	29-30	20-30	30-40	.....	.....	.....	.....	.....
October.....	1-7	20-30	30-40	15-20	10-15	15-20	20-25	.....
	8-14	20-30	30-40	15-20	10-15	15-20	20-25	.....
	15-21	20-30	30-40	15-20	10-15	15-20	20-25	.....
	22-28	20-30	30-40	15-20	10-15	15-20	20-25	.....
	29-31	.....	.....	20-25	15-20	.....	20-25	.....
November.....	1-6	20-30	30-40	15-20	20-25	15-20	20-25	.....
	7-13	20-30	30-40	15-20	20-25	15-20	20-25	.....
	14-20	20-30	30-40	15-20	20-25	15-20	20-25	.....
	21-27	20-30	30-40	15-20	15-20	20-25	20-25	.....
	28-30	.....	.....	15-20	.....	.....	.....	.....
December.....	1-7	20-30	30-40	15-20	15-20	20-25	20-25	.....
	8-14	20-30	30-40	15-20	15-20	20-25	20-25	.....
	15-21	20-25	30-40	15-20	15-20	20-25	15-20	.....
	22-28	20-25	30-40	15-20	15-20	.....	15-20	.....
	29-31	20-25	30-40	.....	.....	.....	15-20	.....

WASHINGTON, D. C., JAN. 1, 1905, TO NOVEMBER, 1910.
[From city newspapers.]

January.....	1-7	.....	.....	.....	.....	20	25	.....
	8-14	.....	.....	.....	.....	20	.....	.....
	15-21	.....	.....	.....	.....	20	.....	.....
	22-28	.....	.....	25	.....	20	.....	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
February.....	2-7	.....	.....	25	.....	.....	.....	.....
	8-14	.....	.....	20-25	.....	.....	.....	.....
	15-21	.....	.....	.....	.....	.....	16	.....
	22-28	.....	.....	25	.....	.....	.....	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
March.....	1-6	.....	.....	25	.....	.....	16	.....
	7-13	.....	.....	25	.....	17-25	17	.....
	14-20	.....	.....	20	.....	.....	17	.....
	21-27	.....	.....	20-25	.....	.....	17-20	.....
	28-31	.....	.....	.....	.....	.....	17	.....
April.....	1-7	.....	.....	25	.....	.....	.....	.....
	8-14	.....	.....	25	16	.....	16	.....
	15-21	.....	18	25	.....	15	18	.....
	22-28	.....	18	25	16	.....	.....	.....
	29-30	.....	.....	.....	.....	18	.....	.....
May.....	1-7	.....	.....	25	15	17-20	15	.....
	8-14	.....	.....	25	15	.....	18	.....
	15-21	.....	.....	25	15	.....	15	.....
	22-28	.....	22	25	17	22	.....	.....
	29-30	.....	.....	25	.....	.....	.....	.....
June.....	1-7	.....	22	25	17	.....	.....	.....
	8-14	.....	22	25	17	.....	.....	.....
	15-21	.....	20-25	25	17-20	.....	.....	.....
	22-28	.....	20-25	16	18	.....	17	.....
	29-30	.....	.....	.....	.....	.....	.....	.....
July.....	1-7	.....	20	25	.....	.....	17	.....
	8-14	.....	20-25	25	.....	.....	20	.....
	15-21	.....	20-25	28	.....	.....	23	.....
	22-28	.....	20-25	20-30	.....	.....	.....	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
August.....	1-7	.....	20-25	.....	15-18	.....	20	.....
	8-14	.....	20	.....	.....	.....	.....	.....
	15-21	.....	15-25	.....	.....	.....	.....	.....
	22-28	.....	15-30	.....	.....	.....	.....	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
September.....	1-7	.....	.....	.....	.....	.....	.....	.....
	8-14	.....	.....	10-30	.....	.....	.....	.....
	15-21	.....	.....	10-30	.....	.....	.....	.....
	22-28	.....	.....	.....	.....	.....	.....	.....
	29-30	.....	.....	.....	.....	.....	.....	.....
October.....	1-7	.....	25-30	.....	.....	20	.....	.....
	8-14	.....	20-25	.....	.....	.....	.....	.....
	15-21	.....	35	20-25	.....	.....	.....	.....
	22-28	.....	30-35	20-25	.....	.....	.....	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
November.....	1-6	.....	30	25	.....	.....	.....	.....
	7-13	.....	.....	25	35	.....	.....	.....
	14-20	.....	25-30	.....	15	.....	22	.....
	21-27	.....	25-30	.....	25-30	.....	.....	.....
	28-30	.....	25-30	.....	.....	.....	.....	.....
December.....	1-7	.....	23	.....	.....	.....	.....	.....
	8-14	.....	.....	.....	25	.....	.....	.....
	15-21	.....	.....	20	25	.....	.....	.....
	22-28	.....	.....	.....	24	.....	.....	.....
	29-31	.....	.....	.....	18	.....	.....	.....

BUFFALO, N. Y., JAN. 1, 1905, TO DECEMBER, 1909.
[Principally from newspapers.]

January.....	1-7	.....	.....	.....	.....	30	25	.....
	8-14	.....	.....	.....	.....	30	25	.....
	15-21	.....	.....	.....	.....	30	25	.....
	22-28	.....	.....	.....	.....	25	25	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
February.....	2-7	.....	.....	.....	.....	20	25	.....
	8-14	.....	.....	.....	.....	20	25	.....
	15-21	.....	.....	.....	.....	20	25	.....
	22-28	.....	.....	.....	.....	20	25	.....
	29-31	.....	.....	.....	.....	20	25	.....

Retail prices per dozen lemons—Continued.
BUFFALO, N. Y., JAN. 1, 1905, TO DECEMBER, 1909—continued.

Month.	Week.	1905	1906	1907	1908	1909	1910	1911
March.....	1-6	.....	.....	.....	.....	20	25	25
	7-13	.....	.....	.....	.....	20	25	25
	14-20	.....	.....	.....	.....	20	20	25
	21-27	.....	.....	.....	.....	20	20	25
	28-31	.....	.....	.....	.....	.....	.....	.....
April.....	1-7	.....	.....	.....	.....	.....	20	25
	8-14	.....	.....	.....	.....	.....	20	25
	15-21	.....	.....	.....	.....	.....	20	25
	22-28	.....	.....	.....	.....	.....	25	25
	29-30	.....	.....	.....	.....	.....	25	25
May.....	1-7	.....	.....	.....	.....	.....	25	25
	8-14	.....	.....	.....	.....	.....	25	25
	15-21	.....	.....	.....	.....	.....	25	30
	21-28	.....	.....	.....	.....	.....	25	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
June.....	1-7	.....	.....	.....	.....	.....	25	.....
	8-14	.....	.....	.....	.....	.....	25	.....
	15-21	.....	.....	.....	.....	.....	25	.....
	22-28	.....	.....	.....	.....	.....	25	.....
	29-30	.....	.....	.....	.....	.....	.....	.....
July.....	1-7	.....	.....	.....	.....	.....	.....	.....
	8-14	.....	.....	.....	.....	.....	.....	.....
	15-21	.....	.....	.....	.....	.....	.....	.....
	22-28	.....	.....	.....	.....	.....	.....	.....
	29-30	.....	.....	.....	.....	.....	.....	.....
August.....	2-7	.....	.....	.....	.....	.....	35	.....
	8-14	.....	.....	.....	.....	.....	30	.....
	15-21	.....	.....	.....	.....	.....	30	.....
	22-28	.....	.....	.....	.....	.....	30	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
September.....	1-7	.....	.....	.....	.....	.....	25	.....
	8-14	.....	.....	.....	.....	.....	25	.....
	15-21	.....	.....	.....	.....	.....	25	.....
	22-28	.....	.....	.....	.....	.....	.....	.....
	29-30	.....	.....	.....	.....	.....	.....	.....
October.....	1-7	.....	.....	.....	.....	.....	.....	.....
	8-14	.....	.....	.....	.....	.....	.....	.....
	15-21	.....	.....	.....	.....	.....	.....	.....
	22-28	.....	.....	.....	.....	.....	.....	.....
	29-31	.....	.....	.....	.....	.....	.....	.....
November.....	1-6	.....	.....	.....	.....	.....	.....	.....
	7-13	.....	.....	.....	.....	.....	.....	.....
	14-20	.....	.....	.....	.....	.....	.....	.....
	21-27	.....	.....	.....	.....	.....	.....	.....
	28-30	.....	.....	.....	.....	.....	.....	.....
December.....	1-7	.....	.....	.....	.....	.....	.....	.....
	8-14	.....	.....	.....	.....	.....	.....	.....
	15-21	.....	.....	.....	.....	.....	.....	.....
	22-28	.....	.....	.....	.....	.....	.....	.....
	29-31	.....	.....	.....	.....	.....	.....	.....

BOSTON, MASS., JAN. 5, 1905, TO MAY 12, 1911.

January.....	1-7	15-25	20-30	25-35	20-30	25-30	20-35	20-30
	8-14	25	15-30	20-35	20-30	25-30	20-35	20-35
	15-21	20-25	20-30	25-35	15-25	20-30	25-35	20-30
	22-28	20-30	20-30	20-35	20-30	20-30	25-35	20-30
	29-31	.....	.....	.....	15-30	20-30	.....	.....
February.....	2-7	20-30	20-30	20-35	15-30	20-30	25-35	20-30
	8-14	25	25	20-30	20-30	20-30	25-35	20-35
	15-21	20-35	20-30	.....	10-25	20-30	20-30	20-35
	22-28</							

Retail prices per dozen lemons—Continued.
BOSTON, MASS., JAN. 5, 1905, TO MAY 12, 1911—continued.

Month.	Week.	1905	1906	1907	1908	1909	1910	1911
November	1-6	30	20-40	25-30	20-30	25-35	30-50	
	7-13	30	20-40	20-35	20-30	25-35	25-50	
	14-20	25-30	25-50	20-30	15-25	35-50	25-40	
	21-27	25-30	10-25	20-25	15-25	35-50	25-40	
December	1-7	25-30	25-40	20	15-20	35-50	25-35	
	8-14	25-30	25-40	20-30	20-30	35-50	25-35	
	15-21	25-30	25-40	20-30	15-30	35-40	25-35	
	22-28	25-30	10-20	20-30	15-25	30-40	20-35	
	29-31	25-30					20-35	

KANSAS CITY, MO., JAN. 1, 1905, TO MAY 14, 1911.
[From city newspapers.]

January	1-7			15	15	15		15
	8-14		10	15	10			
	15-21		15	15	10	10		15
	22-28			15	15			10
February	2-7		10		10	10	13	15
	8-14		9		15	10		15
	15-21		10		8	10		15
	22-28		10		10	10		15
March	1-6		12		10	10		
	7-13		12		10	10		
	14-20		12		10	10		
	21-27		12	20	10	10	13	
April	1-7					10		
	8-14			18		19	10	15
	15-21		10	18	10	10		
	22-28	12	10	18	10	10		15
May	1-7	12		18	10	10		
	8-14	12		18	10	10		
	15-21	10	12	20	10	10		
	22-28	10	15	20	10	10		
June	1-7	10	18	18	12			
	8-14	10	18	18	10	10		
	15-21	10	18	18	12	10	17	
	22-28	15	18	18	12	12		
July	1-7	12	20	17	12	20	23	
	8-14	15	20	18	12	20	23	
	15-21	15	20	18	12	18	23	
	22-28	18	20	18	12	20	20	
August	2-7	18	15	18	12	12	20	
	8-14	20	15	18	15	13	20	
	15-21	20	23		15	12	20	
	22-28	20	20	20	15	13	13	
September	1-7	20	25	25	12	12	10	
	8-14	20	23	13	15	13	10	
	15-21	25	25		12	12	10	
	22-28	20	15		12	12		
October	1-7			20	12	12		
	8-14	20		20	12	13		
	15-21				10	10		
	22-28				10	10		
November	1-6		17		10	10		
	7-13		15		10	12		
	14-20		15	13	10	12		
	21-27		15		10	10		
December	28-30					10		
	1-7		13			17		
	8-14		15			10	15	
	15-21	15	15	18	10	15	15	

MINNEAPOLIS, MINN., JAN. 1, 1905, TO DECEMBER, 1910.

January	1-7	14	15	15				
	8-14	12	12-13					
	15-21	12	12	15		14		
	22-28	13	10		12		16	
February	2-7		12	12-15	12-15		18	
	8-14	10-13	15	12-18	14	14	15	
	15-21		10	12	10-15	14		
	22-28		13	14	15		17	
March	1-6	12	11		12-15		17-19	
	7-13			12	10-18	12	15	
	14-20	10		16	12-15	12	15	
	21-27	12	15	12	15-20		15	
April	28-31			12-15				
	1-7	10-24			10-15	12		
	8-14		15	13	8-15	12-14		
	15-21		13		10-15			
May	22-28		12		8-16	12-15	17	
	29-30					12	15-17	
	1-7		15		15-18		15-18	
	8-14		15		15	12		
June	15-21	10	14-15		10-15	12	15-20	
	22-28	10	15-18	16	12-15	12	15-18	
	29-30				12-20			

Retail prices per dozen lemons—Continued.
MINNEAPOLIS, MINN., JAN. 1, 1905, TO DECEMBER, 1910—continued.

Month.	Week.	1905	1906	1907	1908	1909	1910	1911
June	1-7	10		18	12-18	12-16	15	
	8-14	10	17-20			17		
	15-21	18		16	12-20		18-25	
	22-28	17			15-20	12-15		
July	29-30							
	1-7	17		20-22				
	8-14	15-77		18-30	15-20		25-35	
	15-21	27-33			15-20	20		
August	22-28		18		15-20		20-40	
	29-31				18-20	20-25		
	2-7	24-31	15-18	18-25	15-18	18-22	20-30	
	8-14				15-20			
September	15-21		18		20-22			
	22-28			18-20				
	29-31			20-25				
	1-7				14-20	15-20		
October	8-14			18-20		10-20		
	15-21		25					
	22-28							
	29-30							
November	1-7	22-25			14-16			
	8-14					18-20		
	15-21	20-23						
	22-28	22			12-17	14-20		
December	29-31							
	1-6	19-20				12-17		
	7-13	20	10-24	20			25	
	14-20	18-20	20-25	20	12			
December	21-27	10	20		15		20	
	28-30		18					
	1-7	10	15	18	15	12	10-20	
	8-14	15-18			14			
December	15-21	10-15		20	15		18	
	22-28	10	15	10				
	29-31	10-12					14-17	

I call attention also to another table touching this question, namely, one showing the wholesale price of Italian lemons in New York each month of the years 1909 to 1912, as follows:

Average wholesale price of all Italian lemons sold in New York City per month, 1909 to 1912.

	Per box.	Per dozen.
1909.		
April		Cents. 7.45
May	\$2.05	6.51
June	1.79	10
July	2.74	11.89
August	3.26	7.75
September	2.13	9.53
October	2.62	13.17
November	3.62	13.67
December	3.76	13.42
1910.		
January	3.25	11.82
February	2.41	8.76
March	2.82	10.26
April	2.96	10.77
May	2.34	8.51
June	3.37	12.26
July	4.22	15.35
August	3.67	13.35
September	4.30	15.64
October	4.78	17.38
November	3.13	11.38
December	2.42	8.90
1911.		
January	2.55	9.27
February	3.78	10.12
March	2.44	8.87
April	2.77	10.07
May	3.86	14.06
June	3.74	13.60
July	3.55	12.91
August	2.60	9.46
September	3.26	11.8
October	3.68	13.4
November	2.52	9.2
December	2.51	9.2
1912.		
January	3.43	12.5
February	3.45	12.5
March	2.52	9.2
April	2.48	9.0
May	2.64	9.6
June	2.84	10.3
July	2.72	9.9
August	4.02	14.6
September	6.33	23.0
October	3.52	12.8
November	3.81	13.5
December	3.89	14.1

Average number of dozen per box, 27½.

I can not stop to compare these prices in detail. It would take up too much time and is wholly unnecessary. They show that there could have been no increase or variation of the price of lemons to the consumer as a result of the increase of the tariff in the Payne-Aldrich Act or of any previous tariff law. Numerous changes in prices, up and down, appear all through these tables. But the changes have been just as great during the existence of the same rate of tariff from one month or week or day to another, without reference to, and evidently unaffected by, the tariff rate in force. It appears that in New York, for a short time, in the early part of January, 1909, there was a rather marked increase in price, but it was only for a few days, when the price fell back to the normal of former years and has continued there, with the usual fluctuations not depending on the tariff rate ever since. These figures are conclusive and unanswerable on this important branch of the question.

The two tables following show the retail prices of lemons, 300-per-box size, as reported by the district managers of the California Fruit Growers' Exchange, in cents per dozen from May 15 to December 1, 1912. These data have been accumulated by determining the retail price charged by three to eight leading grocers in the following cities in the eastern United States: Boston, New York, Baltimore, Washington, Buffalo, Pittsburgh, Cincinnati, Indianapolis, and Louisville, and in eastern Canada in Toronto, Montreal, and St. John.

The lemons used in eastern Canada are exclusively Italian, and are duty free. These tables show that the retail price in Canada is the same as that in the eastern United States, and is conclusive evidence that the duty on lemons does not affect the retail price.

Retail prices of lemons in eastern United States and eastern Canada, 300 size, in cents per dozen.

Date.	Boston.	New York.	Baltimore.	Washington.	Buffalo.	Pittsburgh.	Cincinnati.	Indianapolis.	Toronto.	Montreal.	St. John.
1911.											
May 15.....	23	27	16	25	23	20	23	25	20	20	20
June 1.....	28	26	30	34	28	33	35	30	28	25	28
June 15.....	28	27	25	35	30	33	28	24	34	25	27
July 1.....	27	27	21	30	31	33	25	23	30	25	28
July 15.....	37	27	24	35	35	35	25	30	31	25	29
Aug. 1.....	31	32	.....	25	32	18	20	.....	30	25	32
Aug. 15.....	27	26	18	25	28	18	30	25	29	20	32
Sept. 1.....	28	24	.....	30	26	22	30	20	28	30	32
Sept. 15.....	34	21	19	29	28	19	.....	18	29	30	31
Oct. 1.....	35	22	23	30	34	20	.....	.....	28	30	30
Oct. 15.....	30	28	27	30	46	22	.....	28	30	30	30
Nov. 1.....	38	27	25	35	29	26	.....	28	30	30	30
Nov. 15.....	27	26	25	35	29	21	30	26	30	30	28
Dec. 1.....	28	28	19	30	25	18	25	.....	20	35	28
Dec. 15.....	22	28	19	23	25	16	20	22	20	35	30
1912.											
Jan. 1.....	16	25	20	23	22	16	25	18	26	30	30
Jan. 15.....	22	26	20	23	23	23	27	22	28	30	30
Feb. 1.....	25	26	19	25	21	22	27	28	30	35	30
Feb. 15.....	25	26	22	30	31	23	30	27	30	28	30
Mar. 1.....	30	26	20	29	22	21	30	22	30	.....	30
Mar. 15.....	22	25	19	24	26	26	30	24	20	.....	30
Apr. 1.....	20	25	20	25	22	24	27	24	24	.....	30
Apr. 15.....	23	23	20	25	23	23	30	24	28	.....	30
May 1.....	20	25	20	24	19	23	.....	23	20	.....	30
May 15.....	21	23	18	25	23	16	40	22	30	.....	30
June 1.....	20	23	19	30	16	18	30	24	28	.....	30
June 15.....	24	24	20	30	26	28	40	22	20	.....	30
July 1.....	23	25	20	.....	21	28	.....	21	25	.....	30
July 15.....	18	27	22	.....	29	22	.....	21	29	35	30
Aug. 1.....	22	27	19	.....	23	16	30	23	30	30	30
Aug. 15.....	25	28	21	.....	26	29	30	21	30	.....	30
Sept. 1.....	29	27	24	.....	21	29	40	32	40	20	30
Sept. 15.....	46	51	45	.....	38	37	60	40	40	20	30
Oct. 1.....	31	41	35	35	36	28	40	28	30	25	30
Oct. 15.....	33	42	.....	33	28	25	30	.....	37	25	30
Nov. 1.....	34	34	30	35	22	30	40	30	39	25	32
Nov. 15.....	36	29	30	.....	31	32	40	28	24	25	28
Dec. 1.....	34	30	28	.....	27	37	30	28	30	20	.....

on every box of lemons imported into this country to raise a fund to fight the tariff, and, unfortunately, Members of Congress have been found who have been willing to make the fight for the foreign importer and foreigners who make their living by handling the foreign product here, against their own countrymen and upon the specious but wholly unfounded claim that it is done in the interest of the domestic consumer. Over one-half of the imports of lemons into the United States are controlled by 11 New York Italian importers, as will be seen from the following statement showing the receivers of foreign lemons at New York City and the percentage of importations handled by each during the period November 1, 1911, to October 31, 1912. The first 11 firms controlled 51.3 per cent of the total imports. About 90 per cent of the total imports are received in the port of New York. The names of the importers sufficiently disclose their nativity. The table is as follows:

Receivers of foreign lemons in New York and percentage of imports handled by each from Nov. 1, 1911, to Oct. 31, 1912.

Receiver.	Total boxes.	Per cent.
Zito & Co.....	144,868	10.476
P. Sciortino.....	86,281	6.240
S. S. Stalmer & Co.....	75,456	5.457
S. Ameroso & Co.....	74,992	5.423
Dominiel Bros.....	73,116	5.287
A. Sacca & Co.....	58,541	4.306
G. Lo Cicero.....	56,006	4.050
G. De Lutto.....	35,308	2.553
G. Cirincione.....	35,140	2.541
F. Di Anci.....	34,458	2.492
A. Caramusa.....	34,103	2.473
Mercadante Regan & Co.....	33,508	2.423
Cuccio & Morello.....	30,177	2.182
P. Castiglione.....	29,360	2.123
F. Cuttietta.....	28,634	2.071
Cap. Maniscalco.....	27,964	2.022
F. M. Maniscalco.....	24,692	1.786
De Luocca & Co.....	21,988	1.590
P. Tramantana.....	20,336	1.470
G. Brandina.....	19,924	1.441
C. V. Smith.....	19,470	1.408
O. F. Maniscalco.....	19,056	1.378
P. Lauricella.....	17,662	1.277
C. Greco.....	16,970	1.227
L. Zerillo.....	16,801	1.215
J. Crochiolo.....	16,515	1.194
B. Follina.....	16,496	1.193
G. Puccio.....	16,286	1.178
B. Trioli.....	14,223	1.029
G. Mannino.....	14,214	1.028
P. Bajata.....	13,787	.997
B. Mussachia.....	12,473	.902
F. Z. Madonia.....	11,546	.835
Ig. Saitta Di M.....	10,759	.778
G. Viviano.....	9,620	.695
Hart & Truckwell.....	9,132	.660
A. Maniscalco.....	8,164	.590
V. Pedone.....	7,917	.573
C. Cavaliero.....	7,792	.563
F. Minaldi.....	7,623	.551
G. Giannace.....	7,120	.515
A. Grilli.....	6,306	.456
G. Cappadonia.....	6,170	.446
P. Giambanci.....	6,117	.442
C. Zito.....	6,095	.441
G. & M. Zlot.....	6,060	.438
A. Montano.....	5,100	.370
P. Scogli.....	4,686	.339
O. Maniscalco, Jr.....	4,648	.336
Sgobel & Day.....	3,569	.258
Saitta Bros.....	3,534	.255
L. G. Marino.....	3,328	.241
S. Gangioli.....	3,238	.234
Ant. Brucato.....	2,902	.210
R. Mocu.....	2,842	.205
C. Cameci.....	2,830	.204
Capt. Izzo.....	2,289	.165
G. Noto.....	2,251	.163
G. Brocita.....	1,919	.139
Fr. F di Piro.....	1,847	.134
F. Fuschia.....	1,738	.126
Pedone & Gambine.....	1,603	.116

All other importers handled less than one-tenth of 1 per cent each.

Therefore some one else must be interested in reducing the tariff besides the consumer. But it sounds better in the public ear to cry out against injustice that they pretend is being done the poor consumer. And this false cry is convincing some unthinking people, who do not investigate the question for themselves, that the price of lemons to the retail purchaser has actually been increased by the tariff.

Mr. President, it is not the man who buys his lemons in this country that is affected, nor is it the consumer in this country that is complaining of the tariff. He has no reason to complain. It is the importer, the promoter, the broker, and others who deal in foreign lemons who are making this fight for free lemons or a reduced tariff. The importers in New York and the exporters in Sicily have levied tribute at different times

The means resorted to to arouse prejudice against the domestic lemon industry and the people that are behind the movement to reduce the tariff is very well shown in an article written by Agnes C. Laut in a late issue of the Sunset Magazine. It was written, I am informed, on her own initiative and upon her own investigation of the facts, and not at the instance or at the instigation of interested parties. She says:

How many people who know about the picturesqueness of the citrus groves in sunny California also know about "a slush fund" of \$200,000 a year manipulated by the Lemon Trust of Italy to smash the system of cooperation that sustains those citrus groves of the Southwest? How many know about "rebates" of 5 cents a box on every sale of Italian lemons auctioned off in New York to create a "lobby" fund for the purpose of smashing California lemons? How many know that when Collector Loeb, of New York, and Wick-ersham, of Washington, and the Fruit Exchange of New York went after that "rebate" among the fruit brokers—which is contrary to

New York law—"the rebates" on sales were discontinued and a "rebate" given by the foreign steamship companies on every box of lemons shipped from Italy in order to knock the tariff off that protects California lemons? You see the point, don't you?—ships that fly a foreign flag can not be prosecuted by the United States Government for "rebating" to an Italian trust, and the Italian trust uses its "rebate" fund (\$50,000 it amounted to in three months) to tamper with legislation in Washington.

There are still funnier features to this human-nature side of the citrus industry. When the Lemon Trust of Palermo, which consists of some 60 Italian firms primarily controlled and directed by 11 men with headquarters in New York—not many of whom are American citizens—laid out its campaign to capture the markets of the United States, it realized that it must first of all smash—utterly smash—the citrus growers' union of California. Why? Because the citrus growers' union has wiped out all speculators, all brokers. It deals directly with the jobber. It has its own salaried salesmen on every market in the world. It sells almost from farm to table—or straight into the hands of the jobber who caters to the retailers. Whereas the Lemon Trust of Italy is purely a speculative concern. In the days before there was a California citrus league to deal direct with buyers the fruit brokers of New York have depressed prices by throwing a glut of Italian fruit suddenly on the market, then buying up every box of available lemons and oranges in America. Then, presto, up leaped prices from 10 cents and 50 cents and \$1 a box to \$6 and \$8 and \$11 a box. Since the citrus growers of California formed their cooperative league to deal directly with the buyer such wild fluctuations of prices have been unknown. The ruling price has been created wholly and solely by supply and demand. Only two years ago, when the California supply of lemons had been exhausted, the Italian lemon brokers of New York, in order "to jack up" prices, deliberately shipped out of the country a cargo of 800,000 pounds.

Now, the citrus growers of Italy had several very important advantages over the citrus growers of the Southwest.

They not only got "rebates" on auctions, which were against the law, and "rebates" on steamship freights, which were contrary to law but could not be punished, but they also received "rebates" from the customs, owing to alleged decay. It has been usual, and rightly so, for the United States customs to allow "rebate" of duties charged on all fruits that subsequently showed decay. Oddly enough the samples of Italian fruits examined by the customs appraiser ran such a high percentage in decay that Collector Loeb investigated. It was found that as much as \$200,000 in a few months had been allowed as "rebate" duty on decayed fruit, when the fruit was not decayed at all.

The next advantage possessed by the Foreign Fruit Trust was in the way of freight tariffs. The freight rate on California citrus—oranges and lemons—runs 82 to 84 cents plus refrigeration and precooling charges, or, say, about 90 cents a box to points east of the Rockies. The freight rate from Italy to points east of the Rockies runs 30 cents less 6 cents of a "rebate" on all shipments over 1,000 boxes.

Yet another point. Wages in Italy are only one-third wages in California. Now, to equalize conditions California had asked duties of 1½ cents a pound on lemons, 1 cent a pound on oranges. If you figure out 330 lemons to a box—fewer oranges—and 70 to 75 pounds to the box, the duty runs from 3 to 4 cents a dozen. Has the price been pushed up by the duty for the eastern consumer? It has uniformly ruled lower. There has been no more sudden jumping of the price up from a few cents a box to \$6 and \$8 and \$11. Another point: In Canada citrus fruits enter duty free; yet the price of oranges and lemons rules in Canada a few cents a dozen—6 to 10—higher than in the United States. Why? Not the extra freight, for the freight rate is the same from California to Montreal as from California to New York. Why, then, is the price slightly higher in duty-free Canada than in the United States with duties of 1 cent and 1½ cents a pound? Because in Canada the prices are controlled by the fruit brokers' rings and the Foreign Trust. In the United States, as long as the citrus grower deals directly with the buyer, eliminating speculators' profits, the price is kept purely on a basis of supply and demand. High prices rule only during seasons when frosts have touched the groves, and these seasons of high prices, such as the current year of 1912-13 is bound to be, are only a third the high prices formerly prevailing under the manipulation of the Foreign Fruit Trust.

Now, I am not a high-tariff advocate, but a free trader; but this strikes me as one of the exceptions that proves the rule. It strikes me as a little anomalous that a foreign fruit trust should set itself to do three things to a purely domestic American industry:

First. Jack up and control prices on one of the great staple necessities of living.

Second. Create "a slush fund" by illegal rebates to smash a growing American industry.

Third. Write an agreement with a firm of Wall Street lawyers to give them half that "slush fund" if they could "induce" Congress to remove the duty equalizing conditions for California fruit growers as against Italian.

Now, for the funny features of the Foreign Fruit Trust's manipulations. "Barkers" and "posters" began mysteriously to appear in such summer resorts as Coney Island, Atlantic City, etc., calling on passers-by "to smash the California Fruit Trust." Petitions were circulated through the crowd for signatures against the duty that protected California fruit. An agent of the California cooperative union saw these petitions to Congress being signed by hundreds of youngsters—a foreign rabble—not over 10 and 12 years of age. Now, if there is one thing the California citrus growers' league is not it is a trust. Its selling is a direct transaction from producer to jobber, and it takes not a cent of profit to its managers, but only a deduction for salaries, turning 97 per cent of the jobber's price back to the shipper, less the freight charges. Yet the "barkers" and "posters" represented California fruit growers as a "trust."

It is only fair to say that the attorney and representatives of the foreign dealers deny the accuracy of this statement, in some particulars, especially as to the size of the fund raised to influence legislation. But the size of the fund is not so material. That such a fund was raised, in the manner stated, and for the purpose indicated, can not be denied. And I am assured that it would have been larger if these conspirators against the best interests of our country had not fallen out among themselves. It is in this way and for this purpose that the effort to arouse public sentiment has been carried on and the aid of politicians seeking votes procured.

The temptation for some Members of Congress to contend for free lemons is great in some quarters, notably in some of the New York congressional districts, and, in fact, in the whole State of New York, because of the large Italian vote there which can be easily reached by this means. There are other sections in this country where similar conditions exist and where like results may be reached by favoring the countrymen of this class of voters. It may mean the gain or loss of a congressional district or a whole State in more than one of the States in the Union.

I am not here to say that any Member of Congress, in this body or elsewhere, would submit to this temptation. But any Senator who will take the pains to investigate the whole subject with a view of arriving at the truth will be forced to the conclusion that there is no just or even plausible reason for reducing the tariff on lemons other than that of political gain to individuals or to a political party.

The extent to which tribute was laid upon lemons imported into this country to raise the funds to employ lobbyists and influence action in favor of free lemons in the interest of the importer of the foreign product is more clearly shown by an extract I have taken from a letter of a man interested in the sale of lemons in the New York market to my predecessor in office, Hon. Frank P. Flint. The letter was written January 11, 1911. In it he says:

Now as to the article which appeared recently in McClure's Magazine, that any reader would know is an output of the importers and paid for by them. As I advised you under date of June 25 last, the importers levied an assessment of 5 cents per box on every box of foreign lemons to create a fund which they aimed to so expend as to secure legislation that would reduce the present tariff on lemons, and the amount collected to date now amounts to, in round figures, between sixty and seventy-five thousand dollars. The special committee in charge of this fund is Scortine, Dominici, and Zito, who have employed Messrs. William C. Beers and Harrison Osborne, both located in this city, to disburse said fund in any way they think advisable without rendering an account therefor. It was under the supervision of these last two men that this magazine article was manipulated, and up to date out of this 5-cents-per-box fund there has been turned over to these gentlemen, Beers and Osborne, a total of about \$23,000. On the 9th instant there was a meeting of the Fruit Importers' Union, and some of the members called upon Beers and Osborne for an accounting of the money turned over to them, and they replied by saying that their agreement was that they should make no accounting whatsoever, and they declined to do so. Funds are advanced to Beers and Osborne in lump sums of two, three, or five thousand dollars. I will note here that effort was first made to get the Outlook to publish the article which appeared in McClure's, but the Outlook refused to publish it.

I suppose Senators are fully aware that Osborne and Beers have been carrying out their part of the bargain by which this great industry of my State was to be sacrificed in the interest of foreigners, for they have been lobbying here diligently and persistently for months for free lemons. Near the close of the last Congress they did get lemons on the free list in the House, but they were saved in the Senate. It was learned before this time that the lemon importers of New York and the exporters of Palermo had organized to bring about a reduction of the tariff on lemons and, if possible, remove the tariff entirely. They were most active in this effort. In addition to the raising of funds necessary to carry on the campaign by levying on every box of lemons imported and the employment of lobbyists, as I have stated, they stamped on every box of their lemons "If lemons were free of duty this box would cost you \$1.20 less." This was a plain falsehood, and known to be so, because the full tariff on lemons was only \$1.12 a box. But aside from this, we have ample and unanswerable proof that the claim was not made in good faith. No one believed that the whole or probably any part of the tariff would go to the consumer in the way of cheaper lemons. This last winter the California crop of lemons was mostly destroyed by an unusual and destructive frost. As a result very few domestic lemons went to New York and other eastern cities. It practically gave the market to the foreign product, just as it will if the proposed reduction of the tariff becomes a law. What was the result? The following table giving the quantity of foreign lemons delivered in the New York market and the prices received shows:

	Boxes.	Price per box.
Nov. 1, 1909, to June 17, 1910.....	938,210	\$2.74
Nov. 1, 1910, to June 17, 1911.....	884,456	3.29
Nov. 1, 1911, to June 17, 1912.....	987,270	2.71
Nov. 1, 1912, to June 17, 1913.....	1,139,164	4.36

It will be noticed that because of the short crop in California from November 1, 1912, to June 17, 1913, there was an increase of foreign lemons over the highest number of any previous year for the same time of 150,000 boxes, and the price to the consumer was increased \$1.65 a box. This shows how

the lemons will be \$1.20 a box cheaper if the California lemons are driven out of the market by an unjust tariff as they were temporarily by cold weather. But the work of the enterprising foreign dealers did not stop with the efforts I have disclosed. They raised the cry that the high tariff was robbing the sick and the poor, and that it was being done at the instance of a powerful trust amongst the fruit growers in California. This cry was echoed on the floors of Congress. When it was declared with melting sympathy that the high price of lemons to the sick in the hospitals was caused by the tariff, and these unfortunates should be protected by Congress, an investigation was instituted in 15 of the largest hospitals in the city of New York to see how this might be. The number of patients in each and the number of boxes of lemons used for the year previous was ascertained, and it was shown that they had used four-fifths of 1 lemon a year for each patient. It is only just to say that this included day patients as well as more permanent ones. But if we exclude them, possibly the hospitals used on an average 1 full lemon a year for each of its patients.

I may call attention to another effort of the foreign dealers to accomplish what they were striving for. At Brighton Beach, N. Y., and, as was stated by the men engaged in it, at other places, a strenuous effort was made to secure signers to petitions to Congress for free lemons. At one of the stands in the crowd flaming red posters were posted containing the following:

(Poster.)

The high cost of living concerns you!

A petition to Congress asking for the repeal of the duty on lemons. California produces 40 per cent of the supply of lemons used in the United States. The Payne-Aldrich tariff bill put a duty of \$1.20 per box on lemons, which is a big advantage to the Lemon Trust in maintaining the present high prices. Lemons are absolutely needed in various ways for medicine, food, and flavoring purposes. The independent dealers are trying to have the present tariff repealed, and, if successful, are pledged to reduce the cost accordingly, thus making lemons cheaper.

They want your assistance in their efforts and respectfully ask you to sign the petition to Congress to take this burdensome duty off an article that is an everyday necessity.

Sign the petition for lower prices.

Men employed for the purpose were on hand with bundles of petitions, as follows:

(Petition.)

_____, 1911.

To the House of Representatives of the United States, Washington, D. C.:

GENTLEMEN: We, your petitioners, residents of _____, respectfully request the repeal of the burdensome duty on lemons which was enacted by the Payne-Aldrich bill into a law, at the expense of the great masses of population on the Atlantic seaboard, for the purpose of doubling the wealth of 10 or a dozen millionaires of California and also for the purpose of paying the wages of tens of thousands of Japanese soldiers, who exclusively monopolize the labor of the California lemon orchards, thus depriving American laborers of opportunity of labor and wages.

Respectfully, yours,

In this way signers to the petitions, many of whom were children, were obtained to be forwarded to Congress; how many I do not know.

Mr. CLARKE of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Arkansas?

Mr. WORKS. I do.

Mr. CLARKE of Arkansas. May I ask the Senator from California whether or not he has a table showing the price received by the California lemon growers for their boxes of lemons and the price at which the same boxes are sold in the eastern market?

Mr. WORKS. The tables I shall submit will include all of those things. I am endeavoring to cover the whole ground.

Mr. CLARKE of Arkansas. The statement has been made that when the rate on lemons was increased in the Payne-Aldrich bill the railway companies immediately added an equivalent amount to the freight charge for transporting lemons from California to the eastern seaboard for consumption. Is that true or not, within the knowledge of the Senator?

Mr. WORKS. If the Senator had honored me with his presence, he would know that I have covered that whole subject.

Mr. CLARKE of Arkansas. It may be due to the fact that I was out of the Senate Chamber.

Mr. WORKS. I have covered the subject just as fully as I know how, giving the exact facts. I am doing the best I can to disclose the whole situation.

These varied and persistent efforts of lobbyists and others had their effect. Some people, even in Congress, began to believe at least some of the mendacious things they said. On August 3, 1911, an amendment was offered to the tariff bill then pending placing lemons on the free list. It was offered by the chairman of the Committee on Ways and Means. It was solemnly asserted in support of the amendment that the tariff had been increased "at the demand of the California Lemon Trust"; that is was "just about as clear an example of the giving of

special privileges by tariff rates as it is possible to obtain"; that lemons to many people of foreign birth and descent are a necessary of life; and that "the only purpose of the increase of the tariff was to raise the price of lemons in the markets of the East and increase the profits of the California Lemon Trust." These assertions could not very well have been further from the truth. The increase was not made on demand of the California trust. There is no such trust, and never has been. The increase was not made upon the demand or even at the request of the fruit growers of California or anyone interested in the industry in the State. I do not know whether lemons are a necessity to people of foreign birth or not. On that question I give way to the superior knowledge of the gentleman who made the assertion, whose constituency is largely made up of Italians, who have their own peculiar reason for wanting lemons on the free list in the interest of their countrymen. The amendment passed the House, but was defeated in the Senate. In conference the House stood firmly to their amendment. It was again asserted:

It is going to drive the Sicilian and the Italian lemon out of the American market, and the people of this country and the hospitals and eleemosynary institutions that require lemons at the sick bed are going to be placed in the hands of one of the most drastic trusts that exists in the United States.

Solemn words of warning, dire predictions, and high-sounding claims of a most "drastic trust" were these. But the warnings were not needed, the predictions were unfounded, and the assertion of a trust was untrue.

But, Mr. President, the people who had misled good men into the belief by the influence of the lobby, false petitions, and misrepresentations that these things were actually true were not ungrateful, although, temporarily at least, the efforts in their behalf had failed.

As another potential means of securing free lemons, the Italians of New York formed a political organization. It was known as the "National Italian Democratic League." This political organization was prompt to show its appreciation of the efforts made in the interest of importers of foreign lemons. It is said to have contributed large sums to the late Democratic campaign, but this I have not been able to verify. The league gave a magnificent banquet at the Waldorf-Astoria within a few days after a Democratic House had voted to remove the tariff on lemons. The chairman of the Committee on Ways and Means, who offered the amendment striking off the tariff, was the guest of honor on that auspicious and delightful occasion, and other members of the Democratic Party, favorable to free lemons, and also the chairman of the Democratic congressional committee and other distinguished Members of the House were not absent; and, last but not least, Mr. Harrison Osborne, the paid lobbyist already mentioned and with whom doubtless the other gentlemen were well acquainted, was conspicuous on the happy occasion.

The gathering was presided over by Giovanni Dominici, whose name sufficiently indicates the place of his nativity and who happened to be one of the leading lemon importers and who, with many others present, was deeply interested in free lemons. I have here a beautiful picture of the assembly; it shows Mr. Dominici as presiding and the distinguished chairman of the Ways and Means Committee as the guest of honor on his right. If the CONGRESSIONAL RECORD were only an illustrated publication I would ask to have it inserted in connection with my remarks.

Now, Mr. President, no one believes—certainly I do not—that any of these distinguished gentlemen present on this great occasion, and whose duty it was to legislate justly and without prejudice against the interests of my people, would allow themselves to be improperly influenced by this touching evidence of the regard and appreciation of the Italian importers for the men who had so valiantly striven in their interest. But, sir, on the face of it, it did look bad for the California fruit growers. I am sorry it occurred.

The following interesting account of the banquet was given in the Fruitman's Guide, of New York, in its issue of August 26, 1911:

ITALIAN DEMOCRATS DINE—BANQUET IN HONOR OF O. W. UNDERWOOD AT WALDORF—SICILY LEMON IMPORTERS CREDITED WITH PULLING WIRES FOR LOWER LEMON TARIFF—DINNER GIVEN IN A HURRY.

NEW YORK, August 25, 1911.

Sicily lemon importers and other Italian importing interests seemed in a hurry to pay their respects to members of the Ways and Means Committee of the House of Representatives, for they made OSCAR W. UNDERWOOD, chairman of the committee, a guest of honor at the first annual dinner of their political organization, held in the Waldorf-Astoria last Wednesday night. The particular political organization of the Italian importers is styled the National Italian Democratic League. This dinner, it seems, was a decidedly hurried affair. It is stated that the whole affair was planned and executed inside of 48 hours. It was originally intended to be in honor of all the Democratic members of the Ways and Means Committee, but Mr. UNDERWOOD was the only one who got there. Several of his colleagues in the House sat at the speaker's table, however.

Giovanni Dominici, one of the leading lemon importers of the city and president of the Italian League, presided at the banquet. Besides he and Mr. UNDERWOOD, there were present these Congressmen: C. Y. Fornes, of New York; F. E. WILSON, of Brooklyn; JEFFERSON M. LEVY, of New York; JAMES T. LLOYD, of Missouri, chairman of the National Democratic Congressional Committee; Martin W. Littleton, of Long Island; and W. I. McCoy, of New Jersey. Joseph Auerbach was one of the speakers. Among others present were ex-Justice Gilderleeve; Antonio Succa; Justice Russell, of special sessions; G. Solari, president of the Italian Chamber of Commerce; S. Saita, the lemon broker; and former Coroner Peter Acitelli.

OSCAR W. UNDERWOOD, the guest of honor, was the principal speaker. He made a speech whacking Mr. Taft for signing the Payne tariff bill and turning down the bills offered by the Democrats in the extra session of Congress. He applauded the President's stand on reciprocity. The Italians cheered Mr. UNDERWOOD's speech and the band played "Dixie." Mr. UNDERWOOD is from Alabama.

There were several members in the trade who received invitations to attend, but who found at the last moment that they could not possibly go. In view of the fact that some secrecy attended the hurried plans for the dinner, and because of the fact that a strong working interest is active for a further reduction in the duty on Sicily lemons, certain members of the trade are busy attaching unusual significance to the entertainment provided for the Democrats. It is openly asserted that the Italian element here is looking to the Democratic party for help, and that wires are being pulled in the hope of action at the next session of Congress on the lemon tariff. Importers generally deny the imputation expressed in the conviction of the trade. The National Italian Democratic League is less than one year old, but it seems to be more or less of a mighty precocious infant.

I protest earnestly against making this great industry of my State the victim of selfish partisanship or the greed for political gain. If it can be shown to the satisfaction of any Senator who desires to act wholly upon the facts as they exist that the present tariff should be reduced as a matter of right and justice, I have nothing to say against his action in voting against this tariff. That being shown to his satisfaction, it is not only his right but his plain duty to vote for a reduction of the tariff. As I said in the beginning, the question is one of right and justice and not of politics or expediency, and should be so treated.

REVENUE TO THE GOVERNMENT.

I pass now to the question of revenue to the Government. So long as the Government is dependent for its revenue on a tariff on foreign imports no tariff that is supplying it in part with the needed support should be taken off unless it is doing injustice to some one. If the home industry does not need protection and the imposition of the tariff has the effect to increase the price of the commodity, the Government might well surrender the revenue for the common good and make it up some other way. But I have shown, I think conclusively, that there is no such reason in this case. No resident of this country has been injured by the increase in the tariff on lemons and no one would be benefited in the slightest degree by its reduction. On the other hand, to take off or materially reduce the tariff will destroy the industry in this country, throw thousands of employees out of work, and put us at the mercy of the foreign producers. The experience of the Government under the different tariff laws shows that under the first three years of the last enactment, known as the Payne-Aldrich law, the increase of revenue from this source was 37.1 per cent above the annual average revenue collected under the Dingley Act.

The following table shows the amount realized under the different tariff laws from the tariff on lemons from 1898 to 1912, inclusive:

Imports of lemons entered for consumption in the United States during years ended June 30, 1898 to 1910, inclusive.

Year ended June 30—	Rate of duty.	Quantity (pounds).	Value.	Duty.
1898 ¹	1 cent per pound.....	133,347,050	\$2,521,985.32	\$1,333,470.50
1899 ¹	do.....	208,634,448	4,399,160.72	2,086,344.48
1900 ¹	do.....	159,384,389	3,655,946.85	1,593,843.89
1901 ¹	do.....	148,334,112	3,516,877.29	1,483,341.12
1902 ¹	do.....	162,962,091½	3,318,908.82	1,629,630.92
1903 ¹	do.....	152,775,867	3,087,244.22	1,527,758.67
1904 ¹	do.....	164,042,415	3,507,679.55	1,640,424.15
1905 ¹	do.....	139,079,003	2,904,975.44	1,390,790.03
1906 ¹	do.....	138,689,148	2,934,195.34	1,386,891.48
1907 ¹	do.....	153,930,739	4,254,230.56	1,539,307.39
1908 ²	do.....	178,437,835	4,388,247.95	1,784,378.35
1909 ²	do.....	135,175,888	2,623,170.38	1,351,758.88
1910 ²	do.....	134,921,762	729,336.85	349,217.62
	1½ cents per pound.....	125,620,672	2,407,126.15	1,884,310.25
Total 1910.....		160,542,434	3,136,463.00	2,233,527.87
1911.....	1½ cents per pound.....	134,957,306	2,955,393.47	2,024,356.48
1912.....	do.....	145,622,842	3,368,489.97	2,184,342.68

¹ Imports and Duties, 1894 to 1907, by W. W. Evans, compiled under the direction of the Committee on Ways and Means, from annual reports on commerce and navigation.

² Department of Commerce and Labor, Bureau of Statistics. Imported merchandise entered for consumption in the United States, and duties collected thereon, 1908, 1909, and 1910.

³ July 1 to Aug. 5, 1909; act of 1897.

⁴ Aug. 6, 1909, to June 30, 1910; act of 1909.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Nebraska?

Mr. WORKS. I yield.

Mr. NORRIS. In connection with what the Senator has said, before he starts off on the subject of revenue, I wish to ask him if he has considered the advisability of calling the attention of the committee that is now investigating the lobby to the particular lobby that the Senator mentions?

Mr. WORKS. The matter has been called to the attention of the committee by some one, not by me; and Mr. Powell, who has been mentioned here as representing the fruit growers in California, has been before the committee and has been examined. I do not know whether they have reached the other side of the question or not.

Mr. NORRIS. I had particular reference to the men the Senator mentions who were engaged in the importation of lemons, and who, for the purpose of advocating free lemons, were raising a contribution on all the lemons imported.

Mr. WORKS. I had understood, not directly from the committee, but indirectly, that Mr. Osborne and Mr. Beers, the two principal gentlemen I have mentioned, had been subpoenaed to appear before the committee, but my understanding is that they have not yet been examined.

Mr. NORRIS. It seems to me that the facts disclosed by the Senator would well warrant an investigation of more importance than a great deal of the lobby matter that has been investigated.

Mr. WORKS. I think the Senator is right about that. I think there never was a worse case of lobbying than that which has been carried on against the lemon industry in California.

So if Congress shall take off two-thirds of the tariff on foreign lemons we will lose that proportion of the \$2,000,000 a year in revenues and receive absolutely nothing in return unless home-grown lemons are driven out of the market. This can hardly appeal to the believers in a tariff for revenue only, and certainly it should receive no support from any Senator who believes in a protective tariff.

OTHER ALLEGED REASONS WHY THE LEMON GROWERS OF CALIFORNIA SHOULD NOT BE PROTECTED.

Mr. President, I submit that I have already shown that the lemon industry of California needs and is justly entitled to the protection given it by the existing tariff; but the emissaries of the foreign producers and those engaged in the traffic in foreign lemons in this country have endeavored to prejudice home growers and dealers in the minds of Members of Congress and the public by various misleading and unfounded charges. For example, they have circulated stories, and they have been repeated on the floors of Congress, that the California fruit growers employ oriental servile labor only, that they can not now and never will be able to supply the market in this country, and therefore any tariff that will keep foreign lemons out of the market will deprive the people of their use entirely, and that the lemon industry in the State is a great Fruit Trust held and controlled by rich men.

I know from my own personal knowledge that these charges are unfounded. I happen to live in the very midst of the greatest citrus-fruit growing section of the world, and have lived there for 30 years, and have seen the industry grow from almost nothing to the magnificent proportions it has now assumed. So, Mr. President, as to the general condition and nature of fruit growing and marketing in my State, the people employed in the industry, and the importance of it not only to my own State, but to the whole Nation, I do not speak from hearsay only, but from my own personal knowledge and observation covering all these years, and practically the history and growth of the industry from the very beginning. But I am not going to ask the Senate to take my word for what I say here. I am able to prove what I assert by unanswerable evidence—from facts that can not be refuted or denied.

Let me call the attention of the Senate first to the charge that the California fruits are produced by oriental labor. If this were so, it would not affect the justice of the claim of the growers to a protective tariff; but it is true only in a very limited degree. The conditions in California are peculiar and can not be understood readily in States where these conditions do not prevail. Farmers and horticulturists in the State have been compelled by these conditions, against their own will and desire, to employ Chinese and Japanese labor to carry on a part of their work because no other help in certain lines of work could be had under any circumstances or at any price. They have used every means reasonably available to secure and hold native help. The larger growers have built comfortable and attractive dormitories, lodging and boarding houses, reading rooms, and separate cottages for families. This has attracted

more and more American laborers to the fruit ranches, and the foreign element has gradually grown less and less and is confined now almost entirely to the more servile and poorest paid kinds of labor.

I have called for and obtained statistical data on this branch of the subject that establishes clearly what I have said as to the limited number of foreign laborers now being used in producing and preparing the fruit for market. One of the gratifying features of the work is that in the packing houses which are maintained in the country and contiguous to the groves, suitable employment is afforded to hundreds of American women outside of the cities, and many country homes and families are supported and maintained in this way.

The San Diego Fruit Co., to which I have already referred, has furnished me a table showing the amounts paid by that company to native and foreign laborers. It is interesting and refutes the charge that the California fruit is produced by foreign and poorly paid labor. It is as follows:

Statement of cash wages paid to white labor and Japanese labor for year 1910, by San Diego Fruit Co., National City, Cal.

Month.	White labor.	Japanese labor.
January.....	\$5,031.61	\$2,186.67
February.....	5,586.07	2,484.12
March.....	6,484.66	2,507.25
April.....	6,287.78	1,080.69
May.....	6,003.68	1,560.64
June.....	6,303.77	1,303.40
July.....	3,847.49	1,094.10
August.....	4,174.75	1,127.42
September.....	3,182.90	1,071.18
October.....	3,763.76	1,573.69
November.....	5,150.07	1,718.86
December.....	5,544.17	2,715.01
	61,450.71	21,021.12

This shows that about two-thirds of the amount paid for labor is paid for American help in that county. But taking the whole State, carefully prepared statistics show, as I have stated, that there are employed in the citrus industry in California 25,000 people, of whom only 3,500 are orientals. This shows a little less than one-seventh of oriental labor devoted to the citrus industry.

I have also secured from the Citrus Protective League a more full and complete tabulated statement, covering the southern California field and Tulare County, which shows the approximate number of orientals employed in the groves and packing houses at the height of the season:

Approximate number of oriental laborers employed in citrus groves and packing houses at height of season.

Redlands-Highlands territory.....	300
San Bernardino, Colton, Rialto, Etiwanda, and Cucamonga.....	275
Riverside district.....	499
Upland-Ontario-Cucamonga district.....	400
Territory from Pomona to Glendora.....	294
Covina territory.....	55
Azusa-Glendora district, not included above.....	295
Duarte-Monrovia territory.....	40
Semi-Tropic Fruit Exchange territory (Los Angeles County).....	338
San Diego County.....	248
Orange County.....	115
Ventura County.....	275
Santa Barbara County.....	28
Tulare County.....	200
Total.....	3,362

Mr. CLAPP. Will the Senator pardon me for an interruption?

Mr. WORKS. Certainly.

Mr. CLAPP. Is the Senator prepared to state—I see the table does not—whether there is any difference in the wages paid to the American and oriental laborers?

Mr. WORKS. My understanding is that there is no difference in wages paid, except where the labor performed is different.

Mr. CLAPP. I mean for the same labor.

Mr. WORKS. For the same labor the same wages are paid.

The claim that this country can not produce enough lemons to supply the home markets is equally without foundation. At the present time the domestic supply is about 54 per cent of the total consumption, and the percentage has been steadily increasing year by year. I have touched very generally on the subject in the course of these remarks. I desire now to meet this claim specifically and by data that will show its complete falsity. In support of my position I now submit, first, a table showing the total consumption of lemons in this country for the fiscal years 1903 to 1912, inclusive. This table is based on the imports of lemons plus the total domestic production.

Total consumption of lemons in the United States, 1903 to 1912, inclusive.

Year ending June 30—	Quantity (pounds).	Boxes. ¹
1903.....	204,981,912	2,733,002
1904.....	236,975,221	3,159,670
1905.....	228,472,321	3,046,298
1906.....	239,599,002	3,194,653
1907.....	243,037,706	3,240,503
1908.....	286,899,353	3,825,324
1909.....	280,954,450	3,746,059
1910.....	295,456,768	3,939,424
1911.....	300,356,524	4,004,754
1912.....	305,423,146	4,072,309

¹ Estimated 75 pounds of fruit each.

I now submit also a table showing the yield of lemons per acre in boxes for the years 1906-7 to 1910-11, covering from 3,603.6 to 6,137.4 acres. The yields are based on the total acreage shipped through 29 associations or individual shippers. It includes the shipments of several hundred growers. The association or account number is given in the first column, next the number of acres, and then the number of boxes shipped each year and the average for the five-year period.

It is as follows:

Yield of lemons per acre, 1906-7 to 1910-11, inclusive.

Account.	1910-11		1909-10		1908-9	
	Acreage.	Shipments.	Acreage.	Shipments.	Acreage.	Shipments.
		Boxes.		Boxes.		Boxes.
No. 2.....	30	4,485	30	6,402	30	6,077
No. 3.....	120	32,229	120	28,842	120	29,788
No. 6.....	437	72,500	302	57,944	191	25,596
No. 8.....	140	20,871	140	20,815	140	28,350
No. 12.....	195	29,474	163	14,073	186	21,315
No. 14.....	119	29,625	114	25,192	114	24,084
No. 16.....	85	15,527	93	8,744		
No. 18.....	675	109,203	104	25,376	116	28,177
No. 29.....	100	13,200	100	6,800	150	19,200
No. 31.....	200	17,317	80	6,792	45	2,827
No. 32.....	1	100				
No. 36.....	188.9	44,654	150.1	46,465	150.1	56,814
No. 37.....	832	216,522	800	176,587	760	204,716
No. 38.....	180	24,236	180	13,599	180	23,585
No. 39.....	407	68,000	380	36,637	400	57,649
No. 40.....	300	75,271	300	114,767	300	104,528
No. 43.....	211	30,253				
No. 44.....	141.5	35,866	129	28,576	146	35,366
No. 47.....	110	31,943	110	36,192	110	42,120
No. 48.....	238	109,033				
No. 58.....	30	4,816	30	2,252	30	7,981
No. 59.....	15	2,382				
No. 60.....	42	19,466	42	9,930	42	15,263
No. 61.....	344	60,000	340	38,461	340	55,538
No. 62.....	213	72,189	213	61,919	370	109,354
No. 63.....	110	11,424				
No. 64.....	200	40,509	225	34,127	225	36,556
No. 65.....	418	94,387	418	95,270	418	73,370
No. 66.....	55	10,752				
Total.....	6,137.4	1,206,294	4,568.1	895,762	4,563.1	1,008,052
Average.....		211.2		196.1		220.9

Account.	1907-8		1906-7	
	Acreage.	Shipments.	Acreage.	Shipments.
		Boxes.		Boxes.
No. 2.....	30	3,195	30	5,832
No. 3.....	120	30,477	120	23,237
No. 6.....				
No. 8.....	140	15,263	140	9,614
No. 12.....				
No. 14.....				
No. 16.....				
No. 18.....	101	24,716	77	18,638
No. 29.....	150	18,400	150	18,400
No. 31.....				
No. 32.....				
No. 36.....	150.1	44,613	150.1	36,020
No. 37.....	710	150,719	650	94,469
No. 38.....	180	32,830	180	29,621
No. 39.....	410	64,415	375	39,332
No. 40.....	300	79,046	300	68,506
No. 43.....				
No. 44.....	145.5	22,473	104.5	14,072
No. 47.....	110	37,782	120	37,440
No. 48.....				
No. 58.....	30	4,690	10	569
No. 59.....				
No. 60.....	42	12,403	54	11,484
No. 61.....	330	47,017	350	39,552
No. 62.....	300	68,451	375	52,081
No. 63.....				
No. 64.....				
No. 65.....	418	46,469	418	38,567
No. 66.....				
Total.....	3,766.6	702,929	3,603.6	537,431
Average.....		187.1		149.1

Five-year average, boxes per acre 106.2.

It will be noticed that the average for the several years, taken separately, is from 149.1 to 220.9 boxes per acre, and that the average of the whole for the five years is 196.2 boxes per acre. It should be noticed, also, that the number of acres has increased in case of these 29 fruit ranches from 3,603 to 6,137 acres. This results in part from the fact that some of the orchards came into bearing after the year 1906-7, and in others the acreage was increased as the years passed.

Another table shows the following result more briefly and concisely stated:

Yield of lemons per acre, 1906-7 to 1910-11, inclusive.

Year	Acres.	Boxes.	
		Total.	Average per acre.
1906-7.....	3,603.6	537,434	149.1
1907-8.....	3,756.6	702,929	187.1
1908-9.....	4,563.1	1,006,052	220.9
1909-10.....	4,568.1	895,762	196.1
1910-11.....	6,137.4	1,296,294	211.2
5-year average.....	4,525.7	888,094	196.2

The facts are further established by the following table of acreage and shipment of fruit:

Acreage and shipments, in boxes, of lemons, with average shipments per acre, California, 1898-1910.

Year.	Acreage. ¹	Shipments (in boxes). ²	Average shipments per acre (boxes).
1898.....	6,518	363,800	55.8
1899.....	7,458	281,800	37.8
1900.....	8,519	451,500	53.0
1901.....	¹⁰ 10,635	912,300	85.8
1902.....	15,119	878,600	58.1
1903.....	14,412	826,500	57.3
1904.....	¹¹ 11,496	868,000	75.5
1905.....	¹⁰ 10,943	1,335,500	121.8
1906.....	11,572	1,182,200	102.2
1907.....	12,506	1,097,300	87.7
1908.....	16,718	1,585,000	94.9
1909.....	18,439	2,067,072	111.6
1910.....	20,305	1,606,752	79.1

¹ Acreage obtained by dividing total number of trees in the State as reported by the State board of equalization by 75, the estimated average number of trees per acre.
² Shipments obtained from number of cars given in the official Fruit World Record and multiplying by 312 boxes per car for years 1898 to 1907, inclusive, 320 in 1908, 332 in 1909, and 336 in 1910.
³ Number of trees in San Diego County not reported. Increase or decrease was averaged by taking preceding and following years' figures.

This gives us the number of boxes per acre that the California lands will produce. I call attention now to the amount of land in the State adapted to the growth of lemons for the purpose of refuting the claim made that this country is unable to produce enough lemons to supply the home demand. Here is a letter from one of the large growers in Ventura County, showing the lands available in that one county in southern California:

SANTA PAULA, CAL., October 6, 1911.

Mr. G. HAROLD POWELL,
 Citrus Protective League, Los Angeles, Cal.

DEAR MR. POWELL: Replying to yours of the 2d instant inquiring as to the lemon plantings of the last three years and also as to the available lemon acreage in this county suitable for lemon planting will say that I have gone into this matter as carefully as my time would permit, and the figures show as nearly as I am able to get them that in 1909 there was planted in this county 731 acres; 1910, 390 acres; in 1911, 200 acres; or a total of 1,321 acres.

The available lemon territory in this county upon which water either has been developed or can be readily developed, and which said land is comparatively free from frost and suitable to lemon culture, is about as follows:

On the south side of the Santa Clara River, 20,000 acres; on the north side of the Santa Clara River, 10,000 acres.

There are now planted and in full bearing several orchards on the south side of the river, which demonstrates the feasibility of growing lemons there. These orchards have never been touched by frost and bear well; in fact, no frost-prevention methods are used. On practically all of this territory artesian water can be developed at a depth of from two to three hundred feet.

The territory on the north side of the river includes the lands known as the Saticoy slope and extends to Ventura. These lands are also free from frost and are suitable to grow lemons upon, although very few lemons have as yet been planted there. There is an abundance of water of gravity flow in the Santa Clara River to irrigate every acre on the north side of the river.

Trusting this is the information which you desire, I am,
 Very truly, yours,

C. C. TEAGUE.

Mr. Powell in a letter transmitting this letter of Mr. Teague to him says on this subject:

I am inclosing a copy of a letter from the Limoneira Co., setting forth the acreage available for lemon planting in Ventura County. From conversations which I have had with Mr. Teague since this letter

was sent I am convinced that his statement of the acreage is very conservative. We have not yet completed the investigation of available lemon land, but up to date we find the following available acreages: In the San Antonio district, including the area from Azusa to Pomona, and including Covina also, there are available about 1,600 acres for planting; in the vicinity of Upland, including Ontario and Cucamonga, there are at least 10,000 acres; in Riverside and vicinity, 2,500 acres; in Ventura County, 30,000 acres; at Corona, 1,750 acres; Tulare County, 9,000 acres of excellent lemon land and a very much larger acreage that can be developed as the population increases; making a total of 53,350 acres.

I will give you figures a little later on Los Angeles County, which contains several thousand acres, and San Diego County, which also contains several thousand acres.

Since Mr. Powell's letter was written, the facts with reference to the quantity of available lands suited to lemon culture in California have been carefully gathered and put in tabulated form with the following result. The table follows.

As tending to throw further light—
 Mr. BRISTOW. If it will not inconvenience the Senator, would he give us that result, if it is not lengthy?

Mr. WORKS. I was endeavoring to save all the time of the Senate I could, and therefore I have been passing over these tables, but as the Senator from Kansas asks for it I will state the facts as shown by this table; it is not very long.

Acreage of land available for lemon planting in California in 1911.

San Antonio district, including the region from Azusa to Pomona.....	1,600
Riverside and vicinity.....	2,500
Upland-Cucamonga district.....	10,000
Ventura County.....	30,000
Corona.....	1,750
Tulare County.....	9,000
San Diego County.....	4,000
Santa Barbara County.....	2,000
San Fernando Valley.....	20,000
Orange County.....	10,000
Other districts in Los Angeles County.....	5,000
Total.....	95,850

Mr. BRISTOW. Mr. President—
 The VICE PRESIDENT. Does the Senator from California yield further to the Senator from Kansas?

Mr. WORKS. I do.
 Mr. BRISTOW. That, as I understand it, is land that is under water or that can be put under water?

Mr. WORKS. Certainly. If not it would not be available for that purpose. Lemons can not be grown except upon irrigated land in the State of California.

As tending to throw further light on this branch of the subject I submit, also, for the information of the Senate, a table showing the total exports of lemons from Italy from 1898 to 1911, and the proportion coming to the United States. The data is taken from official Italian statistics furnished by the United States Department of Agriculture.

It is as follows:

Exports of lemons from Italy, 1898 to 1911, inclusive.

Calendar year ended Dec. 31—	Quantity.	Value.	Exports to the United States
	<i>Pounds.</i>		<i>Per cent.</i>
1898.....	325,504,061	\$3,149,486	41.3
1899.....	369,473,041	3,234,489	36.6
1900.....	311,563,577	3,000,286	29.2
1901.....	368,801,294	3,228,610	29.2
1902.....	490,063,960	3,432,077	34.3
1903.....	459,622,020	3,218,948	31.2
1904.....	514,137,472	3,600,745	37.3
1905.....	452,903,655	3,171,899	32.1
1906.....	559,524,096	4,337,525	37.1
1907.....	559,540,378	4,408,635	37.8
1908.....	540,327,398	4,257,229	32.6
1909.....	564,516,049	4,447,811	29.4
1910.....	569,431,646	5,489,550	31.5
1911.....	570,206,431	5,491,974	28.5

Also, the following table showing the number of boxes of lemons coming into New York from Italian ports for the years 1903 to 1911, inclusive; and another showing the number of boxes and their weight received at the same port from the same source:

Boxes of lemons received in New York from Italian ports, 1903 to 1911, inclusive.

Year ended Dec. 31—	Ports of export.			
	Palermo.	Messina.	Naples.	Total.
1903.....	1,506,850	339,000	57,850	1,903,700
1904.....	1,581,500	316,900	71,950	1,970,350
1905.....	1,298,250	98,100	35,600	1,431,950
1906.....	1,468,800	159,100	75,600	1,703,500
1907.....	1,647,925	101,400	211,100	1,960,425
1908.....	1,625,525	85,250	117,350	1,828,125
1909.....	1,514,375	2,975	99,350	1,616,700
1910.....	1,574,075	20,200	112,950	1,707,225
1911.....	1,438,250	162,925	62,625	1,663,800

In the Provinces of Palermo and Syracuse 75 per cent of the lemons are exported and about 25 per cent are used in the manufacture of citrate of lime. In the Provinces of Messina and Catania 75 to 80 per cent of the fruit is sometimes used in the manufacture of by-products, the remainder entering into the export trade.

Boxes, weight of fruit, and average weight of fruit per box of lemons received in New York from Italian ports, 1903 to 1911.

Calendar year ended Dec. 31—	Boxes.	Weight of fruit (pounds).	Average net weight of fruit per box.
1903 ¹	1,903,700	129,986,250	68.3
1904.....	1,970,350	135,961,377	69.0
1905.....	1,431,950	104,071,443	72.7
1906.....	1,703,500	133,742,382	78.5
1907.....	1,960,425	147,472,044	75.3
1908.....	1,828,125	131,151,357	71.7
1909.....	² 1,616,700	117,981,693	73.0
1910.....	² 1,702,225	123,862,502	72.5
1911.....	1,663,800	115,069,578	69.2

¹ Bulletin 160 B. P. I., loc. cit.

² Monthly Summary of Commerce and Finance of the United States, December, 1910.

These figures show conclusively that if California is protected in her industry she will be able to supply the people of the United States with all the lemons needed, and that she will do so is apparent from the additional acreage planted to lemons each year. But if the tariff on lemons is taken off or materially reduced, the lands adapted to lemon growing, and which, in the interest of the whole country should be devoted to that purpose, will inevitably be applied to other uses more profitable but less important to the people generally. This is an industry that for the common good should be fostered and encouraged and not destroyed by unfriendly and unwise legislation.

IS THE LEMON BUSINESS IN CALIFORNIA A TRUST?

Now, Mr. President, what of the claim that the lemon industry in California is a rich man's business and is controlled by a trust? Big business, working through great combinations of wealth, stifling competition and destroying little business, has very justly become unpopular in this country. Therefore, when the politician or the demagogue wants to cast discredit upon any business or enterprise, he denounces it as a trust. The lemon industry in my State has not escaped this character of unjust and unfounded assault. The advocate of free lemons for votes has raised this cry. It has been reiterated on the floors of Congress, whether maliciously and for political effect or through ignorance of the true facts and conditions I do not know. But for whatever purpose this assault has been made upon this great industry, or whatever the motives behind it may be, I propose to show that the charge is utterly false and groundless. I shall do this by disclosing to the Senate the conditions that exist in California as affecting the fruit industry as clearly as I can, the manner in which the business is carried on, the nature and characteristics of the various cooperative associations and other organizations through which the business is conducted, the necessity for such cooperation on the part of the growers, and from this demonstrate clearly to Senators that these so-called combinations are in no sense trusts or combinations intended to or which can control prices or prevent competition.

As I have said in respect of the matter of wages so I say with respect to the general subject of growing and marketing fruit—the conditions are peculiar in California and not well understood. The fruit when ready for shipment is 3,000 miles away from its best and greatest markets, markets that it must reach if the business is to grow and succeed. The fruit is perishable and must be protected from the elements in its transportation and handled with the greatest care. The grower is compelled to ship his fruit by rail. Many of the cars must be refrigerated in summer and carefully protected from the weather in the winter. Notwithstanding the claim is made that this is a rich man's business, most of the orchards, hundreds of them, are small 5 and 10 acre tracts or less, owned by men who have invested their all in the venture and who, with their families, are entirely dependent upon their fruit for a living. In the San Dimas district, for example, which is one of the largest in the State, 300 growers own 1,180 acres of lemons. The unit lemon acreage is 3.94 acres. In the Hollywood-Cahuenga district 35 growers own 344 acres, making the unit size 9.83 acres. In the Pomona district 75 growers own 200 acres, making the unit size 2.67 acres. At Santa Barbara 70 growers own 407 acres, making the unit size 7.96 acres. At Tustin 55 growers own 580 acres, making the unit size 10.50 acres. In the Whittier district 90 growers own 318 acres, making the unit size 3.53 acres. There are three corporations that own between 500 and 1,000 acres of lemons. There are

between 2,000 and 2,500 growers of lemons in the State, practically all of whom live on their places and manage their properties. The average grove contains 5, 10, or 15 acres, more or less.

A recent inventory made by the Citrus Protective League shows that 11,185 acres of lemons are owned by 1,179 growers, making an average of 9.5 acres per grower. One thousand and forty-four of these growers owned less than 10 acres; 109 between 10 and 20; 39 between 20 and 50; 6 between 50 and 100; 8 between 100 and 250; 1 between 250 and 500; and 2 owned more than 500 acres.

In the early history of lemon growing in California it was demonstrated that the small grower who could not load at least one full car for shipment at a given time could not do business alone. He could not ship in small quantities on account of prohibitive freight rates. He could not sell successfully as against his larger competitors in the eastern markets, the brokers and agents that he was compelled to employ thousands of miles away were often unreliable and fleeced him of his profits, and the balance was generally on the wrong side of the ledger. The buyers in California divided the territory among themselves and fixed the price to be paid the growers. He could not, with his small crop, afford to build and maintain such a packing house and curing facilities as were absolutely necessary to put his fruit in the market in proper condition. He could not, alone and without cooperation with others, secure the necessary water supply for irrigation. It was clearly shown that the case of the small grower acting alone was hopeless. He could not do business. With the larger grower the case was different. He could control his shipments and govern his agents. A remedy for this condition, so desperate for the small grower, was sought and has, by degrees, been worked out so that he stands on an equality with the larger growers and dealers. This was done by a system of cooperation on the part of the small growers in the same neighborhood. The difficulty was not alone in shipping and marketing the fruit, but in packing it, and cooperation was necessary even in the cultivation of the fruit. Water for irrigation must be had, and this made it absolutely necessary to organize water companies, composed of the fruit growers, each grower to share in the water according to the size of his orchard, the usual custom in mutual companies being to issue one share of stock for every acre of land owned by the landowners whose lands were to be irrigated.

The first important organization formed was a neighborhood fruit association. This association was the agent of the growers who became members of it. Its duties were to establish a packing house and prepare the fruit for shipment. In some cases, at the will of the members, this has been extended to the pruning and fumigation of the trees and the picking of the fruit, all of which call for peculiar knowledge and skill. The association makes no profit, but renders the services at actual cost, and each member pays his proportionate share of that expense according to the amount of his fruit handled. Then followed the local fruit exchange, another agent of the growers, whose duty it is to look after the shipping of the fruit for the association, its care and inspection in transit, and the selection and control of the agents and brokers through whom the fruit is marketed. Later there came the subexchange and the central exchange, which acted as agent for the district exchanges in providing better facilities and greater convenience. The central exchange makes no profit, but charges up the expenses and collects them from the shippers as in case of the association. This organization is broader in its scope than the district exchange or the association. It is not a neighborhood affair, but is open to all growers in the State and includes not only individual growers but the associations also.

As the business grew in magnitude and importance still another organization was formed with a like purpose known as the Citrus Protective League. It also takes in all individual growers and associations that desire to become members. Its duties are to look after all questions of railroad rates, tariff, and other legislative matters affecting the interests of the fruit growers. Most of the information and data used by me in preparing what I have said on this subject has been furnished by the Citrus Protective League through its very painstaking and efficient secretary and manager. Among other things, he has furnished me with a very interesting and instructive history and status of cooperative marketing of citrus fruits in California. I submit this statement for the consideration of the Senate:

HISTORY AND STATUS OF COOPERATIVE MARKETING OF CITRUS FRUITS IN CALIFORNIA.

The idea of cooperative marketing of citrus fruits in California originated in the necessities of the industry.

Citrus fruits only thrive in a semiarid country and require constant irrigation. They require a high elevation along the foothills skirting

the mountains, which necessitates extensive pumping plants and many miles of pipe or ditch lines. The large amount of capital and labor required to produce the orchard has limited holdings to an average of 10 acres to each grower, which is the equivalent of an ordinary farm of 160 acres in the Mississippi Valley, both in the amount of capital required to purchase or produce it and in the amount of labor required to maintain it.

As no single grower could procure the water for his orchard cooperation in the procurement of water became necessary, for the expense of water development is usually prohibitive, except in a large way. The investment required for the usual water system is from a quarter of a million to a million dollars. To secure a water supply cooperation was necessary, and this was the origin of the cooperative idea in California.

When the orchards were grown and producing the growers faced the question of marketing the crop, for the local market was soon more than supplied. The difficulties confronting them were almost insurmountable. Between them and the markets of the country extended 2,000 miles of desert, with severe climatic conditions, with a perishable commodity to transport, with no facilities for preservation or inspection of the fruit while in transit or upon its arrival at markets. The growers were the prey of all kinds of middlemen, brokers, and commission men, who in various ways manipulated the fruit to the loss of the grower, the result being that frequently the grower did not receive enough for his fruit to pay the freight.

A few years of experience with these conditions convinced the growers that they must pack and sell their own fruit. To properly pack the fruit requires a packing house with all its appurtenances and facilities, requiring an investment of from five to fifty thousand dollars. The average grower could not make such an investment and was not educated or trained to handle that department of the business. This condition led to a further extension of the cooperative idea whereby many growers joined together in a cooperative way and erected packing houses and employed men skilled in the business to operate them. And this was the second step in the cooperative idea.

Further experience in the handling of the fruit demonstrated the fact that the fruit must be carefully picked and handled for it to reach the markets without decay, and this was found to be the work of skillful men trained in the work. In the earlier history of the business some of the growers could pick and deliver their fruit in good condition, others could not, and in the pooling system which followed, the cooperative packing, the careful grower and picker suffered a loss from the methods of the careless grower. This condition led to the plan of employing one trained gang of pickers to do the picking for all the growers to insure uniformity of careful methods. And this was the third feature of the cooperative idea.

Further experience in the business made it apparent that the growers could not successfully do their own fumigating and that it was difficult to secure good work by contract. The citrus fruit being only at home in a warm climate, which fosters the production of all kinds of scale and insect pests, it is necessary to fumigate the trees frequently with a cyanogen gas, which is the work of an expert. The growers found that by clubbing together and employing skillful men with the necessary paraphernalia that this work could be more effectively done. And this was the fourth feature of the cooperative movement.

The difficulties of the growers in marketing their product at such great distance from point of production were in securing proper accounting and reliable brokers and agents at the various marketing points. The unbearable loss to the growers and the huge profits to the operators, who were preying upon the business, led to the idea of cooperative marketing.

THE EXCHANGE METHOD OF COOPERATIVE MARKETING.

The group of growers owning a packing house on a cooperative plan is called an association, and as early as 1890 associations were being formed. At that time each association attempted to do its own marketing, meeting with great difficulties, especially in not having sufficient quantity of fruit to justify the employment of agents who would be loyal to their interest, and being the prey of brokers and commission men throughout the country who frequently represented the buyer rather than the grower, and who frequently failed to make returns. These difficulties about the year 1893 led to the grouping of the various associations in each locality into what was called local exchange, in order that there might be a sufficient amount of fruit moved to justify the employment of a better class of agents, in order that the growers might reap some return upon their investment which they had not been able to do up to that time.

The growers found the local exchange to be an improvement over previous conditions, but was still not sufficient for the proper protection of the fruit or to secure adequate marketing methods. It was found necessary for the growers to have inspectors for the fruit at all division points on all the various transcontinental lines to see that the fruit was being properly protected, by a sufficient quantity of ice when refrigeration was required, and by proper ventilation during the ventilating season; that it was necessary to secure a wide distribution of the fruit because it was not then a fruit which was being generally consumed and was supposed to be more of a luxury than a staple food by the consuming public. It was also found necessary to have agents who would stimulate the distribution and sale of the fruit, who would devote themselves to that work to the exclusion of all other. It was also found necessary to obtain prompt information with regard to the various markets in the country to prevent a scarcity at some markets and a glut in others. All these facilities involved an expense too great for any local exchange, and therefore it became necessary to form a larger organization, which was done in the year 1895 by the formation of the Southern California Fruit Exchange, which was formed by the election of one director from each local exchange. This organization has continued from time to time with but slight change of plan. In 1905 the name of the Southern California Fruit Exchange was changed to the California Fruit Growers' Exchange.

The idea of the exchange was broadly democratic. Its duties were to employ agents at all the principal marketing points throughout the United States and Canada, define the duties of such agents, and place them under bonds; to gather full information each day of the condition of each market throughout the country, and furnish the same daily to each association in the form of a bulletin; to faithfully and impartially perform whatever services the association required in the way of marketing their fruit, and make prompt account of returns; to appoint inspectors at each division upon all of the principal lines of railroads to care for the fruit arriving or passing, and at the close of each year

make an assessment against each shipper for a pro rata share of the expense on a basis of the number of boxes shipped.

Under this arrangement each shipper reserved to himself the right to determine the amount of his production, the time of shipment, the place of sale, and the price at which he would sell. The agent of the exchange at each marketing point acts directly under the orders of the owner of each car shipped. The general exchange never sells a car or makes any order with regard to a car of fruit, but is simply the medium through which the order passes from the shipper to the agent on the ground. This relation is with great particularity and exactitude set forth in a written contract between the general exchange on the one hand and the local exchange and associations on the other appended hereto, and is still more clearly defined to the agents on the ground by the instructions issued by the exchange thereto attached.

THE LEGAL STATUS OF THE EXCHANGE AND ASSOCIATIONS.

The unit in these operations is the grower who owns on an average 10 acres of citrus trees. The primary organization is the association, which on an average embraces about 50 growers, or 500 acres for each packing house. The association is usually a corporation under the laws of California, without pecuniary profit, it being stated in the articles and by-laws that packing, picking, and handling the fruit will be done at actual cost pro rata on the boxes shipped from each grower. The usual method is to issue the stock to each grower in proportion to the number of acres of orchard which he owns. In some instances it is issued on the basis of the number of boxes shipped and in some other instances each member has one vote regardless of his acres or production. The only property owned by this association is its packing house and appurtenances. It accumulates no profit and declares no dividends.

The proceeds of the sale of the fruit for each grower are returned to him, less packing expenses. In some instances the fruit is graded and pooled each month, each grower receiving his proportion for the amount of each grade furnished each month. In other instances the fruit for the entire season is pooled, each grower receiving his proportion for each grade for the year, and in other instances the fruit is handled and shipped for each grower individually. There are now 110 of these associations affiliated with the California Fruit Growers' Exchange.

The secondary organization in this system is the local exchange, which usually comprises all of the associations in a colony or in a locality, but in some instances several colonies are embraced in one local exchange, and in very large colonies there are two or more local exchanges.

The local exchange is a corporation without profit under the laws of California, with nominal capital stock, usually one share for each association belonging to it, and one director for each association. This local exchange is a local clearing house for shipment, and its duties are to order cars and see that they are spotted at the various packing houses; to keep a record of all shipments made and destinations, and receive all returns from the various agents at the various marketing points; to aid in securing information as to markets; to transmit the orders of each association with regard to handling of cars; to keep a constant check on the business and see that orders for fruit are promptly filled, that collections are promptly made, and to afford a medium through which information from the general exchange and the agents throughout the country pass to the association which ships the fruit.

The final organization is the California Fruit Growers' Exchange, which now has a capital stock of \$1,600 and a director representing each local exchange. The California Fruit Growers' Exchange is a corporation under the laws of California, but without profit. It makes no earnings and declares no dividends. It neither buys nor sells fruit nor any other commodity. It exercises no control whatever, directly or indirectly, over the buying or selling of fruit or any other commodity. It simply furnishes facilities for the use of such people as wish to avail themselves of them at a pro rata share of the cost.

The associations affiliated with the California Fruit Growers' Exchange shipped 10,843,831 boxes, or 28,123 cars, of citrus fruit during the past season, 1910-11, which is 61 per cent of the California production and is 40 per cent of the total consumption of oranges in the United States and 35 per cent of the total consumption of lemons in the United States. During this past year this fruit averaged \$1.89 free on board cars and brought \$20,600,000.

The membership in this organization is entirely voluntary. Any grower may withdraw from any association at the end of any year, and any association may withdraw from any local exchange and any local exchange may withdraw from the general exchange.

About one-third of the entire shipment is sold on open auction. All fruit sold in the following cities is at auction, to wit: Boston, New York, Baltimore, Philadelphia, Pittsburgh, Cleveland, Cincinnati, St. Louis, and New Orleans. At other points there is untrammelled competition between the various associations and there is not uniformity in price.

There is a great variation in grades, quality, and appearance of fruit, and naturally in all markets fruit sells upon its merits. They widely vary in price. Usually the eastern auction commands the highest price and the cities are naturally larger consumers than the smaller places. As these fruits are perishable and must under necessity be promptly sold, it would not be possible to manipulate the markets even though the growers were so disposed, for any scarcity in one market to advance prices would lead to a plethora in the next with a corresponding reduction.

There are in addition to the California Fruit Growers' Exchange about 40 independent cooperative associations and individual grower shippers, which with the exchange handle 85 per cent of the citrus crop of California. The independent cooperative associations conduct their operations along the same general lines as outlined above.

The Citrus Protective League of California is a voluntary organization, formed in March, 1906, by representatives of growers, shippers, and shipping organizations in nearly all of the citrus-growing localities in the State to handle the public-policy questions that affect the industry as a whole.

Its purpose is to represent the grower and shipper in handling such questions as railroad rates and transportation problems, customs tariff, and other Government relations, State and Federal legislation that apply directly to the citrus business, and all of the questions of a general nature that affect the upbuilding of the industry except the marketing of the fruit.

The league is directed by an executive committee of nine and by a secretary and manager, the executive committee having been appointed by an administrative committee of 30 of the principal growers and shippers, who act as a governing committee, and who were selected from the representative delegates who organized the league in 1906. The Citrus Protective League represents about 90 per cent of the industry.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield further to the Senator from Kansas?

Mr. WORKS. I do.

Mr. BRISTOW. I was interested in the Senator's discussion as to the number of acres which each farmer owns in the lemon-producing region. As I remember there are but two who own more than 500 acres, who are the large lemon producers. I wanted to inquire if the nature of the business is such that the men owning the smaller orchard can better or more economically handle his crop. For instance, the experience in the prairie country is that the most successful farmer is the farmer who can give his personal attention to his farm, and the big farmer farms at a heavier expense than the smaller farmer.

Mr. WORKS. Undoubtedly that is true, Mr. President, with respect to the growing of lemons in so far as the cultivation of the farm is concerned. These organizations are for the purpose of handling the fruit after it is ready for the market, and cooperation for that purpose seems to be absolutely necessary for their protection, for the reasons I have attempted to state.

Mr. BRISTOW. I understood that, but the impression has been circulated, to some extent at least, that the lemon business is a business which the large corporations engage in successfully and that the small farmer is being crowded out in the interest of the big concerns.

Mr. WORKS. That would be true except for the very thing I have been talking about. The small growers have been able to associate themselves together and by cooperation to meet just exactly that condition, and that having been done they can operate their ranches just as successfully and just as cheaply as the big growers.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from New Hampshire?

Mr. WORKS. I yield.

Mr. GALLINGER. I will apologize to the Senator in advance if he covered the point upon which I am going to ask a question. I was unavoidably called from the Chamber during the first part of the Senator's address. Can the Senator state, or has the Senator stated, the proportion of domestic product to the entire consumption of lemons in this country?

Mr. WORKS. Yes; I have endeavored to cover that thoroughly.

Mr. GALLINGER. Could the Senator restate it offhand?

Mr. WORKS. I could not; it is contained in the tables. If the Senator ever finds time to read what I have said, I think he will find that covered.

Mr. GALLINGER. I will endeavor to acquaint myself with it.

I will ask the Senator one other question, and that is as to the possibility, if the lemon industry is adequately protected against the cheap labor of Sicily, and other countries perhaps, of this country producing practically all the lemons that would be consumed here.

Mr. WORKS. That I have covered completely. I have shown, I think, conclusively that there is ample land in California adapted to the growth of lemons to supply the demand. From what I know about that, I have no doubt whatever.

Mr. BRISTOW. If the Senator will excuse me for again interrupting him, four years ago I voted against the increase in the duty on lemons proposed in the Payne-Aldrich bill, believing that a cent a pound was enough. Now, I want to inquire of the Senator from California if the duty should have remained at a cent a pound, or should be now placed at a cent a pound, whether, in his judgment, that would be a satisfactory protective duty for the lemon business.

Mr. WORKS. Mr. President, from my investigation of this whole subject—and I have endeavored to investigate it conscientiously—I am satisfied that a tariff of a cent a pound would be sufficient to protect the industry. On the other hand, I think that the increase in the tariff under the Payne-Aldrich tariff bill was a great incentive to landowners in California to increase their lemon planting, and that it has been advantageous in that way. I have no doubt in the world but that the lemon growers of California would cultivate the fruit successfully under a rate of 1 cent a pound.

Mr. BURTON. Will the Senator pardon me?

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Ohio?

Mr. WORKS. I yield.

Mr. BURTON. What has been the course of prices of lemons since the passage of the tariff act of 1909?

Mr. WORKS. I have also covered that subject.

Mr. BURTON. I was unfortunately not here.

Mr. WORKS. I have included in my remarks a table showing the exact prices paid for lemons in the larger cities—the eastern

cities—covering several years. There has been practically no change in the price of lemons to the consumer at retail, or, for that matter, at wholesale, on account of the tariff. I think the figures show that quite conclusively.

Mr. BURTON. That is, the increase of rate has not increased the price?

Mr. WORKS. It has not.

Mr. BRISTOW. I apologize to the Senator again for interrupting him.

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Kansas?

Mr. WORKS. I yield.

Mr. BRISTOW. Shortly after we passed the last tariff bill—that is, the 1909 bill—the railroad companies increased the rates on citrus fruits from California east so as to take up, as it appeared to me, a part of the advantage which Congress had undertaken to give the lemon growers of California. I wanted to ask the Senator if that increase in the rate was maintained by the companies and was that taken out of the help which Congress undertook to give the lemon growers by this additional duty?

Mr. WORKS. That also I have covered quite thoroughly.

Mr. BRISTOW. I am sorry, but I did not hear that part of the Senator's address.

Mr. WORKS. I have been unfortunate in having Senators come in after I have covered a subject. I am very willing and anxious to inform the Senator on that subject. Briefly stated, the facts are that the rail rate was increased, and the lemon growers have been contesting that rate ever since. It first went to the Interstate Commerce Commission and was decided in favor of the growers. It was appealed to the Commerce Court and the case was reversed and sent back. It was again tried in the Interstate Commerce Commission, and again the commission held in favor of the growers—that the rate of \$1.15 was excessive. As I remember it, it again went to the Commerce Court, and that decision was affirmed, and it is now pending in the Supreme Court of the United States.

In the meantime, under an injunction that was issued, there was an order of court made that the whole amount of \$1.15 a hundred should be paid into the court, but 15 cents of that was to be held by the court until the case was finally determined, and then either returned to the grower or paid to the railroad companies, as the case may be.

As further showing the nature of the relations between the growers and these different organizations, I also submit the forms of contracts between the neighborhood associations and what is called the subexchange, and between the subexchange and the central exchange, mentioned in the above history, and between the individual grower and his local association.

They are as follows:

This agreement, made and entered into this — day of — A. D. 191—, by and between the —, a corporation duly organized and existing under the laws of this State, with its principal office in —, California, the party of the first part, and several corporations and parties who have signed this agreement, parties of the second part, said corporations and parties being hereafter designated as second parties.

Whereas the system of marketing and handling citrus fruits devised by the California Fruit Growers' Exchange has been approved by the parties hereto as a satisfactory system of cooperative marketing, now, in consideration of the foregoing, the parties of the second part do hereby severally agree to market all fruit now controlled by them or that may hereafter come under their control during the term of this agreement through said first party, it being understood and agreed that the said party of the first part has entered into an agreement with the California Fruit Growers' Exchange for the sale of said fruit in accordance with the general plan adopted by said exchange, to which plan and agreement reference is hereby made, and the same is hereby made a part of this agreement.

The said party of the first part is hereby authorized to retain as brokerage, from the net proceeds rendered to it by the agents of the California Fruit Growers' Exchange, or from any other sales of fruit under this agreement, such sum of money as their board of directors may from time to time designate or deem sufficient to cover the expenses incurred in making such sales. Should the actual expenses incurred by the said party of the first part during the term of this agreement amount to less than the fund derived from the brokerage so retained, then the surplus shall be refunded to the said parties of the second part, according to the number of boxes of fruit shipped by each, the board of directors adjusting the rebate upon an equitable basis. Should the actual expenses incurred by the said party of the first part during the term of this agreement amount to more than the fund derived from the brokerage so retained, then the said parties of the second part agree to pay an assessment to be levied upon them to make up the amount of the deficiency, said assessment to be levied upon the number of boxes shipped by each of the said parties of the second part, but oranges, lemons, and other citrus fruit, as well as auctions and agents' sales, may be assessed on a separate basis, and for different amounts: *Provided*, That whatever difference, if any, is made by the California Fruit Growers' Exchange in its charges for marketing oranges, lemons, and other citrus fruit, respectively, shall be followed and carried out in the adjustment of moneys retained by the party of the first part from the said parties of the second part.

The party of the first part agrees to use its best efforts to sell and dispose of the fruit controlled by the said parties of the second part, but it is expressly understood that in so doing it acts only as the agent of the said parties of the second part, and assumes no respon-

sibility or financial liability therefor further than it agrees to turn over to the several parties of the second part the cash proceeds of all sales of their fruit as soon as received, retaining the brokerage for expenses, as above provided.

The parties of the second part further agree to pay to the party of the first part as liquidated damages the sum of 25 cents a box on all citrus fruits controlled by them, which, through any fault of their own, they fail to deliver to the party of the first part, loaded on cars at shipping station of said party of the second part.

This agreement shall continue in force until the 1st day of September, 1920: *Provided*, That any of the parties hereto may withdraw from and cancel this agreement during the first 15 days of August in any year, by giving notice in writing during said period to the party of the first part.

In witness whereof, the said corporations have each hereunto caused its corporate name and seal to be affixed by its president and secretary duly authorized by resolution of its board of directors, duly passed and adopted, and all other parties have hereunto signed their individual names and affixed their individual seals.

[SEAL] By _____ President.
By _____ Secretary.
[SEAL] By _____ President.
By _____ Secretary.

Contract between central exchange and subexchanges.
CALIFORNIA FRUIT GROWERS' EXCHANGE CONTRACT.

This agreement, made this _____ day of _____, 1910, by and between the California Fruit Growers' Exchange, a corporation organized under the laws of California, party of the first part, and sundry parties consisting of corporations, partnerships, and individuals affiliated with the party of the first part, and who execute this agreement, parties of the second part:

Witnesseth: That whereas it has been deemed necessary by the parties of the second part to associate themselves together and cooperate in the matter of developing the citrus industry and marketing its products for the following named

PRINCIPAL PURPOSES AND OBJECTS.

To lessen the cost of marketing by creating agencies who will act for each member.

To insure the collection of sales.

To facilitate the collection of damage claims.

To encourage the improvement of the product and the package.

To increase the consumption of citrus fruit by developing new markets and to aid in supplying all the people with good fruit at a reasonable price.

To secure a fair and just government of all bodies affiliated with these parties, democratic in principle, and through which at all times all policies shall be controlled by the majority will of the shippers connected therewith in just proportion to shipments made. That the business engaged in, being interstate in character, to secure at all times full compliance with the laws of the United States concerning interstate commerce, and to that end prevent any organization connected therewith from having any power or authority in contravention of the laws of the United States concerning such business, the general plan being to unite in securing those results which are beneficial to all alike, but at the same time preserving to each shipper complete independence of action as to all his shipments. Thereupon the following stipulations are agreed to in lieu of all previous agreements:

First. The party of the first part shall be considered the general agent of all the parties of the second part in all matters concerning the marketing of citrus fruit, and such other matters as are incident thereto within the limitations hereinafter provided, with power to provide a suitable place for doing business.

To elect or appoint a suitable official force to supervise the business, at such salaries as may from time to time be considered proper by the directors of the party of the first part.

To employ a force of sales agents stationed at various points throughout the United States, Canada, and such other countries as may be decided upon as will be sufficient to dispose of the products of the second parties in all available territory.

To organize and maintain a claim department for the handling of all claims.

To maintain a legal department to take care of the necessary litigation and furnish advice to the various organizations connected herewith.

To maintain an advertising bureau for the purpose of stimulating consumption and demand.

To create any other department, or incur any other expense which may be deemed necessary by the board of directors of the party of the first part to protect all those interests of the parties of the second part of a general nature, and which will affect all alike within the scope of the duties of the first party as herein provided.

COOPERATION.

It is agreed that all of the information obtained by the party of the first part; all of the facilities established by it; all of the books or records maintained by it; all of the agencies, both general or local, shall always be at all times available to the second parties or their accredited representatives.

The second parties will at all times cooperate for whatever object may, within the law, be deemed to be for the general good. They will each and all abide by and be bound by all the contracts, agreements, and sales made by the party of the first part for any member of such organization, and will promptly ratify any action taken by the party of the first part or any of its authorized agencies in behalf of any or all of the parties of the second part within the scope of the authority of such agencies.

LIFE OF AGREEMENT.

This agreement shall continue in force and effect until the 1st day of September, 1920, and during that period the parties of the second part and all associations, corporations, partnerships, or individuals connected with such second parties, or shipping through such second parties or any of them, will ship all their citrus fruits through the parties of the first part and the marketing agencies by it established, and for such period of time will consign all shipments to the party of the first part at some point where the said party of the first part has representation, through and by the local exchange with which each association is affiliated: *Provided, however*, That any party to this agreement may withdraw therefrom on the 1st day of September of any year, and be no longer bound by the stipulations herein agreed upon, by filing a written notice of withdrawal with the party of the first part 10 days or more before any such date; and said second party

agrees that if it shall at any time during the life of this agreement fail to ship all its citrus fruits as hereinbefore agreed upon, or shall dispose of all or any of it elsewhere, or otherwise than as herein agreed upon, that it will forfeit and pay as liquidated damages to the party of the first part an amount equal to 25 cents a box on all such citrus fruits which are or may be shipped or sold otherwise than as stipulated in this contract, providing the first party was ready and willing to receive and handle such fruit.

RESERVED RIGHTS OF SHIPPERS.

It is understood, however, that each shipper reserves to itself the right to regulate and control its own shipments, to use its own judgment, and decide for itself when and in what amounts it shall ship; to what markets it shall ship; where its products shall be sold; and, except at auction points, the price it is willing to receive, fully reserving the right of free competition with all other shippers, including other members of this organization, unhampered and uncontrolled by anyone.

EXPENSES.

First. All fruit, however sold, shall be assessed alike per box in proportion to the carriers' estimated weight to pay salaries and expenses of the general manager, general eastern agent, and their assistants and all employees, rents, and expenses of the Los Angeles office of the party of the first part, including all telegrams and general items of expense, such as printing, supplies, inspection of fruit, etc.; also to pay the expense of establishing a claim department for the purpose of making and collecting claims against railroad companies and other corporations and individuals, including the salary of a claim agent and all necessary assistants and clerks and all other necessary expense; also to pay all necessary legal expenses, including salaries of one or more attorneys for necessary legal advice and all legal expenses necessary to prosecute claims and suits in courts, both Federal and State, and before the Interstate Commerce Commission; also to pay all expenses of proper and judicious advertising for the purpose of extending and increasing the sale of the citrus fruit of the parties of the second part; also to pay all proper expenses of extending the sale of said fruit in foreign countries and all other necessary and proper expense that may be incurred in protecting and furthering the interests of the said parties of the second part, excepting that fruit sold by the local exchanges at their expense and risk, either at auction or at private sale, at such points as the board of directors may from time to time determine shall be excluded from these charges and assessed an arbitrary charge to be fixed by the board of directors of the party of the first part.

Second. All fruit sold, at auction or on commission, except as hereinbefore provided, shall, in addition to expense named in first paragraph, be assessed alike per box in proportion to carriers' estimated weight to pay the salaries and expenses of agents, inspectors, and other expenses as may accrue in auction agencies.

All auction and commission charges shall be borne by the respective shipments and deducted from the proceeds of sale of each car or shipment.

Third. All fruit sold otherwise than herein provided shall, in addition to expense named in first paragraph, be assessed alike per box in proportion to carriers' estimated weight to pay all expenses connected with the marketing of the same not provided for in subdivision No. 1 of this article, including all salaries, brokerages, office and incidental expenses of the various agents (not including auction agency expenses).

ASSESSMENTS.

The said party of the first part shall make a statement within 30 days after the 1st day of September of each year, and a readjustment of such statement once a month, covering all shipments for that season, made up to the time of the statement or readjustment, and levy an assessment on the parties of the second part according to the number of boxes shipped. Such assessment shall be due within three days from date on which it is made. In the event of failure to pay any such assessment within 10 days from its date the party of the first part may refuse to handle any fruit for the delinquent party until all assessments past due have been paid.

BONDS OF AGENTS.

Agents shall be selected and employed by the party of the first part, on salaries or brokerage, and each shall be required to furnish a satisfactory bond in some responsible guaranty company for the faithful performance of his duties.

INFORMATION AS TO PRICES.

The party of the first part shall require its agents to keep it fully informed as to the condition of the market, the arrival and condition of the fruit, the wholesale and retail prices of fruit in their respective districts, and furnish such other information as may be required of them, and such information shall be immediately transmitted by said party of the first part to all the parties of the second part.

QUOTATIONS BY SECOND PARTIES.

No schedule of prices or quotation shall be issued or be distributed by any of the parties of the second part, except through the party of the first part.

NO SPECIAL AGENTS.

None of the parties of the second part shall employ any traveling man, agent, or solicitor for the sale of its fruit.

COPIES TO SECOND PARTY.

Copies of all correspondence or other matters in any manner affecting the interests of the parties of the second part shall be promptly forwarded by the respective agents to the parties of the second part whose interests are involved.

MONEY DIRECT TO SECOND PARTIES.

The party of the first part shall cause the fruit furnished by said several parties of the second part to be sold for the account of the party of the second part furnishing the fruit, and full report and account sales shall be promptly rendered therefor, and payment of money made direct to the party of the second part shipping such fruit, and a copy of the account sales shall be rendered to the party of the first part. Said party of the second part shall be required to report promptly to the said party of the first part the nonpayment of any drafts and acceptances received by them in settlement for fruit.

ESTIMATES.

Each of the parties of the second part shall furnish to the secretary of the party of the first part an estimate of the number of cars of each variety of fruit controlled by said second party as often as called for by the board of directors of said first party.

CARLOADS.

That whenever in this contract the word "car" occurs, as relating to a carload of fruit, it shall be considered as containing the minimum fixed by the carriers.

RESPONSIBILITY OF FIRST PARTY.

The party of the first part agrees to use its best efforts to sell, market, and dispose of the fruit belonging to said parties of the second part as aforesaid, but it is expressly agreed between the parties hereto that the said party of the first part in the sale and disposal of said fruit acts only as an agent of the said parties of the second part and shall not be held liable for any loss that may result in disposing of such fruit, except as herein provided.

LOSSES.

The only losses assumed by the party of the first part are those arising from financial failures or default of purchasers after having positively accepted the fruit, and which default is not due to complaint of the buyer of the quality, condition, or grade of the shipment, and these losses shall be assessed to the parties of the second part on a percentage based upon the gross f. o. b. returns for the year. Citrus fruit, dried fruits, green deciduous fruit, and nuts shall each, respectively, prorate its own loss.

CLAIMS.

The party of the first part shall maintain a claim department for the collection of all claims against railroads and transportation companies, and at the request of any of the parties of the second part, the party of the first part shall to the best of its ability collect and prosecute on behalf of the party in interest any claim for overcharge or loss and damage not herein provided for, and also, upon the approval of its board of directors, bring suit and prosecute the same in the courts, all at the expense of the party of the first part.

INTERESTS OF PARTIES.

All matters of business involving the interests of the parties hereto not herein specified, shall be determined by the said party of the first part, or by a meeting of representatives from said parties of the second part, as hereinafter provided.

BOARD OF REPRESENTATIVES.

To aid in carrying out the provisions of this agreement a board of representatives is hereby created, to which each of the exchanges parties of the second part shall be entitled to appoint one representative, to hold at the pleasure of the appointing party, such party having the right to remove or change its representative at any time: *Provided*, That all appointments, removals, and changes shall, by the party making the same, be certified in writing to the party of the first part, and shall take effect when so certified. The representatives so appointed shall constitute such board, and its due organization and powers shall not be affected by the failure of any party to make or certify its appointment of a representative. The president of the California Fruit Growers' Exchange shall be ex officio chairman of said board, but in case of his absence or failure to perform his duties as such chairman, the board shall elect a chairman for the time being. The board shall elect its own secretary, who shall keep a record of its proceedings.

Meetings of said board of representatives shall be immediately called by the acting secretary of the board of directors of the California Fruit Growers' Exchange at the request of any two members of said board. Said meetings shall be held in the office of the party of the first part at 11 o'clock a. m., on the next regular meeting day of the board of directors of the party of the first part. Notice of said meetings to be given to all the representatives of the parties of the second part by notice through the United States post office, mailed on the day of calling such meeting. Representatives of a majority of the total shipments of the previous season at any meeting called as herein provided, shall constitute a quorum.

Said board shall have the supervision of all matters pertaining to carrying out the provisions of this agreement, as advisory to the board of directors of the party of the first part; and upon request of any two members of said board of directors, any question as to carrying out any of the provisions of this agreement shall, by said board of directors be referred to said board of representatives.

At any meeting of said board of representatives, upon demand by any representative, the vote on any question under consideration shall be taken upon a percentage basis, in which case each representative shall have the same percentage of the total vote as the party appointing him shipped of the total of all fruit shipped by the parties of the second part hereto for the year ending August 31 last prior to said meeting.

When any vote on any question pertaining to the carrying out of any provision of this agreement shall have been taken by said board of representatives, the fact of such vote and the result shall be certified to the board of directors of the party of the first part and the California Fruit Growers' Exchange shall take notice of the result of such action as instructions from the second parties to the contract and carry on the business as directed by such vote of the representatives of said second parties.

ASSOCIATIONS AND GROWERS' CONTRACTS.

Every exchange becoming a party to this agreement shall furnish to the party of the first part a copy of the contracts between associations and growers or the local exchange and the growers or associations, each of which contracts shall in terms ratify this agreement.

In witness whereof the said corporations have each hereunto caused its corporate name and seal to be affixed by its president and secretary thereunto duly authorized by resolution of its board of directors, duly passed and adopted.

CALIFORNIA FRUIT GROWERS' EXCHANGE.

[SEAL.] By _____, *President*,
By _____, *Secretary*,
[SEAL.] By _____, *Secretary*,
By _____, *President*.

Agreement between association and members (the growers).

UNIFORM CROP AGREEMENT.

(Recommended by the California Fruit Growers' Exchange for use by all of its affiliated associations.)

This agreement, made the _____ day of _____ A. D. 191____, between the _____ association, a corporation incorporated under the laws of the State of California, and having its principal place of business at _____, in said State, and affiliated with the California Fruit Growers' Exchange, a corporation incorporated under said laws for the purpose of marketing California citrus fruits, the party of the first part, and

the undersigned citrus fruit growers of _____, said State, the parties of the second part, witnesseth:

SALE AND DELIVERY OF FRUIT.

1. That, for and in consideration of the sum of \$1, the receipt of which is hereby acknowledged by each of the second parties, and of the covenants and agreements herein contained, each of the second parties hereby sells and conveys, and agrees to pick, haul, and deliver to the first party, at its packing house at _____, in said State, for the purpose of packing, selling, and marketing all the citrus fruits now growing upon his land and premises, and all that during the term of this agreement may be grown upon his land and premises, or any other lands or premises owned by him and situated in the county of _____, said State, at such time or times, and from time to time, and in such quantities, as the first party or its agent may direct.

PACKING AND MARKETING.

2. The first party agrees to receive, pack, sell, and market all of said fruit whenever a market may be found for the same, which in the judgment of the first party and in accordance with its rules and regulations, shall justify such selling and shipment.

PROCEEDS.

3. The first party agrees to pay to each of the second parties the amount received for his said fruit, less its regular charges for packing, shipping, selling, and marketing the same.

WITHDRAWAL OF LAND.

4. If any of the second parties shall, in good faith, sell his said lands, or any part thereof, he shall be released from this agreement as to all lands sold and conveyed upon giving notice in writing thereof to the first party.

TERM OF AGREEMENT.

5. This agreement shall continue in full force and effect from the date hereof until November 1 of the year of the date hereof, and for a further term next thereafter of five years.

SUSPENSION OF AGREEMENT.

6. Any of the second parties to this agreement may be released therefrom and terminate and end the same as to him by filing a written notice of his desire to be so released with the party of the first part during the first 15 days of August of any year during the term of this agreement.

BY-LAWS.

7. The by-laws of the first party and the contract between the first party and its local exchange, and the contract between such local exchange and the California Fruit Growers' Exchange, shall be parts of this agreement and shall be binding upon each of the second parties, except in those particulars in which it is expressly herein stipulated to the contrary.

RULES AND REGULATIONS.

8. The packing, selling, and marketing of the said fruit shall be done in accordance with the rules and regulations of the first party now or hereafter adopted and observed by it.

PURPOSE AND POSSESSION.

9. Each of the second parties fully understands that the purpose, among others, of this agreement is to maintain and to increase to its greatest efficiency the present cooperative fruit selling and marketing agency known as the California Fruit Growers' Exchange, whose stockholders are the representatives of various subexchanges, and the stockholders of which said subexchanges are the representatives of the various and numerous fruit associations of the State of California, of which the first party is one; and that to accomplish this purpose it is necessary that each of the parties of the second part shall strictly and fully comply with and perform the stipulations of this agreement on his part, and therefore each of the second parties expressly stipulates and agrees that he will not sell or otherwise dispose of his said fruit to any person or corporation other than to said first party, as herein provided; and that in case he shall fail, refuse, or delay to pick and deliver his said fruit to the first party within five days after demand therefor, the first party shall have the right, at its option, at any time or times thereafter, and from time to time, to enter into the possession of his said premises and to pick his said fruit, or any part thereof, and take the same to the packing house of the first party and pack, sell, and market the same, all at his cost and expense, which said cost and expense shall and may be retained by the first party out of any moneys received from the sale of any of his fruit.

LIQUIDATED DAMAGES.

10. The actual damages which will be sustained by the first party because of the failure or refusal of any of the second parties to pick and deliver his said fruit as herein provided, and the further detriment and injury to the first party because of the effect of said breach upon the California Fruit Growers' Exchange and its efficiency, and the expenses to which the first party will be put and the damage caused by outlays incurred and to be incurred by it in providing means for selling and marketing the said fruit, are impossible now to estimate or fix, and therefore the same are estimated and agreed upon as 25 cents for each box of fruit grown or sold, which sum shall be allowed in any action brought by the first party to recover damages for the breach of this agreement by any of the second parties, should the first party elect, as it may elect, to bring such action.

In witness whereof the said corporations have each hereunto caused its corporate name and seal to be affixed by its president and secretary, duly authorized by resolution of its board of directors, duly passed and adopted, and all other parties have hereunto signed their individual names and affixed their individual seals.

_____ ASSOCIATION,
By _____, *President*,
By _____, *Secretary*.

_____, owning _____ acres.
_____, owning _____ acres.
_____, owning _____ acres.

It will be seen by this history and the several contracts mentioned that every growers' association is left perfectly free to sell its fruit where and at such price as it pleases. Neither the association, the exchange, nor the protective league has any control over prices unless the grower voluntarily gives this right, independently of his written contract. The fruit is transported by and under the direction of the exchange, but it is

sent wherever the association orders it to be sent. It is sold through agencies appointed by the exchange, but the association fixes the price at which it is to be sold, and neither the exchange nor the agent or broker has any right to vary from this price.

The Senate should understand that these associations are mere neighborhood cooperative associations; that there are hundreds of them, and that competition exists as between those associations as well as between other persons who are dealers.

The grower is under no coercion whatever. He may sever his connection with any one of the organizations at the end of any year on the short notice provided in the contracts. Besides this, only a part of the fruit growers belong to these organizations. There are many entirely independent shippers. Only about 60 per cent of the fruit raisers of the State belong to the exchange, 20 per cent belong to other associations, 5 per cent are independent grower-shippers, and 15 per cent sell their fruit to others in California or in other ways.

Senators must see from this showing that the joining together of the growers in this way for their mutual benefit has none of the elements of a trust. It does not fix or control prices or interfere with competition in any way whatever.

RATES OF TARIFF UNDER EARLIER STATUTES.

It may be interesting, in this connection, to notice what has been the policy of the Government in the protection of citrus fruits by a protective tariff in years past. It will show that from the beginning until now lemons and their by-products have been protected. I submit a statement of tariff legislation affecting this industry from 1790 to 1909.

It is as follows:

THE RATE OF DUTY ON CITRUS FRUITS AND THEIR BY-PRODUCTS ENTERING THE UNITED STATES FROM 1790 TO 1909, INCLUSIVE.—NO. 9.

There has been a duty in one form or other on citrus fruits and some of their by-products for more than 100 years. Beginning with the tariff act of August 10, 1790, the rates of duty under the successive tariff acts are as follows, the table having been submitted and approved by the United States Treasury Department, No. 9. (No. 9, tariff acts passed by the Congress of the United States, 1790 to 1909, Document No. 671, House of Representatives, Sixty-first Congress, second session.)

RATES OF DUTY ON CITRUS FRUITS, BY-PRODUCTS OF CITRUS FRUITS AND PACKAGES, FROM 1789 TO 1909.

Act of July 4, 1789: On all other goods, wares, and merchandise, 5 per cent on the value thereof at the time and place of importation.

Act of August 10, 1790: Oranges, lemons, and limes, 10 per cent ad valorem.

Act of June 7, 1794: Oranges, lemons, and limes, 15 per cent ad valorem.

Act of March 26, 1804, and reenacted each year thereafter until February 17, 1813: Seventeen and one-half per cent ad valorem on oranges, lemons, and limes.

Act of July 1, 1812: Oranges, lemons, and limes, 35 per cent ad valorem.

Act of July 14, 1832: Lemons and limes exempted from duty.

Act of September 1, 1841: On all articles admitted free or which are chargeable with a duty of less than 20 per cent, a duty of 20 per cent ad valorem.

Act of August 30, 1842: Oranges and lemons, in boxes, barrels, or casks, 20 per cent ad valorem. Citric acid, 20 per cent ad valorem. All volatile and essential oils, 20 per cent ad valorem, not otherwise specified. Essences, not otherwise enumerated, 25 per cent ad valorem.

Act of July 30, 1846: Oranges, lemons, and limes; orange and lemon peel, 20 per cent ad valorem. Lemon and lime juice, 10 per cent ad valorem. Citric acid, 20 per cent ad valorem. Oil, volatile, essential, or expressed, 30 per cent ad valorem.

Act of March 3, 1857: Oils, volatile, essential or expressed, 24 per cent ad valorem. Oranges, lemons, and limes; orange and lemon peel, 8 per cent ad valorem. Citric acid, 4 per cent ad valorem. Lemon and lime juice, 8 per cent ad valorem.

Act of March 2, 1861: Oranges, lemons, and limes; orange and lemon peel; lemon and lime juice, 10 per cent ad valorem. Oils, volatile, essential, or expressed, 20 per cent ad valorem.

Act of August 5, 1861: Limes, lemons, and oranges, 20 per cent ad valorem.

Act of July 14, 1862: Citric acid, 10 cents per pound. Lemon and orange oil, 50 cents per pound.

Act of June 30, 1864: Lemons, oranges, fruits preserved in their own juice and fruit juice, 25 per cent ad valorem.

Act of July 14, 1870: Oranges and lemons, 20 per cent ad valorem; limes and shaddocks, 10 per cent ad valorem. Citrate of lime, free. Orange and lemon peel, free.

Act of June 6, 1872: Orange buds and flowers, free.

Act of March 3, 1883: Oranges, in boxes of capacity not exceeding 2½ cubic feet, 25 cents per box; in one-half boxes, capacity not exceeding 1½ cubic feet, 13 cents per half box; in bulk, \$1.60 per thousand; in barrels, capacity not exceeding that of the 196-pound flour barrel, 55 cents per barrel. Lemons, in boxes of capacity not exceeding 2½ cubic feet, 30 cents per box; in one-half boxes, capacity not exceeding 1½ cubic feet, 16 cents per half box; in bulk, \$2 per thousand. Lemons and oranges in packages not specially enumerated or provided for in this act, 20 per cent ad valorem. Limes, 20 per cent ad valorem. Citric acid, 40 cents per pound. Fruits preserved in their own juice and fruit juice, 20 per cent ad valorem. Lemon and orange oils, limes and orange flower, free. Casks, barrels, carboys, bags, and other vessels of American manufacture, exported empty and returned filled with foreign products, including shooks when returned as barrels or boxes, free. Citrate of lime, free. Lemon and lime juice, free. Orange and lemon peel, not preserved, candied, or otherwise preserved, free. Fruits preserved in sugar, spirits, or molasses, 35 per cent ad valorem.

Act of October 1, 1890: Oranges, lemons, and limes in packages of capacity of 1½ cubic feet or less, 13 cents per package; in packages of capacity exceeding 1½ cubic feet and not exceeding 2½ cubic feet, 25 cents per package; in packages of capacity exceeding 2½ cubic feet and

not exceeding 5 cubic feet, 50 cents per package; in packages of capacity exceeding 5 cubic feet, for every additional cubic foot or fractional part thereof, 10 cents in bulk, \$1.50 per 1,000; and in addition thereto a duty of 30 per cent ad valorem upon the boxes or barrels containing such oranges, lemons, or limes. Articles of the growth, produce, and manufacture of the United States, exported empty and returned filled with foreign products, including shooks, when returned as barrels or boxes, free. Citric acid, 10 cents per pound. Citrate of lime; lemon juice, lime juice, and sour-orange juice; lemon, lime, orange, and neroli or orange flower oil, free. Orange peel and lemon peel, preserved or candied, 2 cents per pound. Orange and lemon peel, not preserved, candied, or otherwise prepared, free. Fruits preserved in their own juices, 30 per cent ad valorem. Fruits preserved in sugar, sirup, molasses, or spirits, 35 per cent ad valorem.

Act of August 27, 1894: Oranges, lemons, and limes, in packages, at the rate of 8 cents per cubic foot of capacity; in bulk, \$1.50 per 1,000; and in addition thereto a duty of 30 per cent ad valorem upon boxes or barrels containing such oranges, lemons, or limes: *Provided*, That the thin wood, so called, comprising the sides, tops, and bottoms of orange and lemon boxes of the growth and manufacture of the United States, exported as orange and lemon box shooks, may be reimported in completed form, filled with oranges and lemons, by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture. Citric acid, 25 per cent ad valorem. Citrate of lime, lemon, lime and sour-orange juice, lemonade, lemon limes, neroli or orange flower, and orange oil, free. Orange peel and lemon peel, preserved or candied, 30 per cent ad valorem. Orange and lemon peel, not preserved, candied, or otherwise prepared, free. Fruits preserved in their own juices, 20 per cent ad valorem. Fruits preserved in sugar, sirup, or molasses, 30 per cent ad valorem.

Act of July 24, 1897: Oranges, lemons, limes, grapefruit, shaddocks or pomelos, 1 cent per pound. Boxes, barrels, or other articles containing oranges, lemons, limes, grapefruit, shaddocks or pomelos, 30 per cent ad valorem: *Provided*, That the thin wood, so called, comprising the sides, tops, and bottoms of orange and lemon boxes of the growth and manufacture of the United States, exported as orange and lemon box shooks, may be reimported in completed form, filled with oranges and lemons, by the payment of duty at one-half the rate imposed on similar boxes entirely of foreign growth and manufacture. Citric acid, 7 cents per pound. Citrate of lime, lemon juice, lime juice, and sour-orange juice, orange, lemon, limes, and neroli or orange flower oil, free. Orange and lemon peel, not preserved or candied or dried, free. Orange peel or lemon peel, preserved, candied, or dried, 2 cents per pound. Fruits in brine, free. Fruits preserved in sugar, molasses, spirits, or their own juices, 1 cent per pound and 35 per cent ad valorem.

Act of August 5, 1909: Lemons, 1½ cents per pound; oranges, limes, grapefruit, shaddocks or pomelos, 1 cent per pound. Boxes, barrels, or other articles containing oranges, lemons, limes, grapefruit, shaddocks or pomelos, 30 per cent ad valorem: *Provided*, That the thin wood, so called, comprising the sides, tops, and bottoms of orange and lemon boxes of the growth and manufacture of the United States, exported as orange and lemon box shooks, may be reimported in completed form, filled with oranges and lemons, by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture. Citric acid, 7 cents per pound. Citrate of lime; lemon juice, lime juice, and sour-orange juice, all the foregoing not containing more than 2 per cent of alcohol, orange and lemon peel, not preserved, candied, or dried; lemons, limes, and neroli or orange flower oil, free. Orange peel or lemon peel, preserved, candied, or dried, 2 cents per pound. Fruits of all kinds preserved or packed in sugar or having sugar added thereto, or preserved or packed in molasses, spirits, or their own juices, if containing no alcohol, or containing not over 10 per cent of alcohol, 1 cent per pound and 35 per cent ad valorem.

It will be seen that only once during all these years was the tariff on lemons taken off. By the act of 1832 lemons and oranges were placed on the free list. There is greater reason now than ever before to protect this industry. It has grown much more important to the country, and the expense of maintaining it has greatly increased. Wages have largely increased, and taxes, fumigation, fertilization, and other items of expense have grown largely in the orchards of this country. This is very clearly shown by the tabulated items of expense of two of the larger growers, which I submit for the consideration of the Senate, as follows:

Riverside Orange Co. (Ltd.).

[150 acres of lemon groves.]

Year.	Taxes.		Water.		Fumigation.		Fertilizer.	
	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.
1891 ¹	\$114.13	\$0.76	\$250.02	\$1.67	.....	.....	.....	.....
1892.....	365.47	2.44	250.02	1.67	.....	.....	.....	.....
1893.....	488.73	3.26	353.60	2.35	.....	.....	.....	.....
1894.....	542.60	3.62	300.94	2.01	.....	.....	.....	.....
1895.....	424.40	2.81	291.91	1.95	.....	.....	.....	.....
1896.....	503.22	3.36	347.58	2.32	.....	.....	.....	.....
1897.....	640.74	4.27	272.85	1.82	.....	.....	.....	.....
1898.....	653.18	4.36	426.83	2.83	.....	.....	.....	.....
1899.....	624.72	4.17	343.07	2.29	.....	.....	.....	.....
1900.....	815.29	5.44	637.98	4.25	.....	.....	.....	.....
1901.....	649.53	4.33	607.69	4.05	\$682.55	\$4.55	\$2,256.26	\$15.04
1902.....	689.28	4.60	835.59	5.57	515.79	3.44	4,894.22	32.63
1903.....	691.18	4.61	880.60	5.87	931.66	6.21	5,211.40	34.74
1904.....	799.76	5.33	1,027.83	6.85	1,176.39	7.84	5,452.71	36.35
1905.....	789.52	5.26	769.42	5.13	2,570.08	17.13	4,896.10	32.17
1906.....	809.53	5.40	741.12	4.94	3,605.74	24.04	5,950.77	39.67
1907.....	1,089.51	7.26	952.99	6.35	3,550.28	23.67	7,561.61	50.41
1908.....	1,373.52	9.18	900.00	6.00	603.80	4.03	7,430.03	49.53
1909.....	1,492.68	9.95	1,339.34	8.93	788.90	5.26	12,555.71	83.71
1910.....	1,513.91	10.10	1,848.45	12.32	1,616.79	10.78	14,963.17	99.75
1911.....	1,450.62	9.67	.....	.....	.....	.....	.....	.....
1912.....	1,600.40	10.67	.....	.....	.....	.....	.....	.....

¹ Starts with planting of trees.

Riverside Trust Co. (Ltd.).

[303 acres of lemon groves. Bearing for entire period.]

Year.	Taxes.		Water.		Fumigation.		Fertilizer.	
	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.	Total.	Per acre.
1901.....	\$2,192.32	\$7.24	\$1,231.85	\$4.07	.....	.....	\$4,340.55	\$14.33
1902.....	2,352.26	7.76	1,688.60	5.57	\$498.64	\$1.65	7,385.59	24.37
1903.....	2,014.45	6.64	1,779.55	5.87	341.25	1.13	13,561.84	44.76
1904.....	2,995.59	9.88	2,076.55	6.85	2,387.53	7.88	9,160.04	30.23
1905.....	2,928.94	9.66	1,634.90	5.39	635.89	2.08	14,091.13	46.51
1906.....	2,835.72	9.35	1,546.33	5.10	1,574.65	5.20	12,263.72	40.47
1907.....	2,808.15	9.26	1,984.67	6.55	9,043.53	29.85	18,097.85	59.72
1908.....	4,543.18	14.99	1,715.00	5.66	5,210.53	17.20	21,683.88	71.56
1909.....	4,469.34	14.75	2,870.45	9.47	7,827.45	25.98	19,095.13	63.35
1910.....	4,913.98	16.21	4,011.46	13.24	2,541.79	8.39	31,139.14	102.77
1911.....	4,481.62	14.79	.....	.....	.....	.....	.....	.....
1912.....	5,073.80	16.74	.....	.....	.....	.....	.....	.....

These cover the expense of taxes, water, fumigation, and fertilizer. They show very clearly the gradual increase of the expenses from year to year. For example, in case of the Riverside Orange Co., taxes increased gradually from 76 cents to \$10.67 an acre, water from \$1.67 to \$12.32, fumigation from nothing for the first 10 years to as high as \$24.04 an acre in one year, and fertilizer from nothing for the first 10 years to \$99.75 an acre in 1910. This is accounted for in part for the first few years by the fact that the trees were small, but the later years show a steady increase of these items of expense not accounted for in that way.

The account of the Riverside Trust Co. shows a similar condition. And this is the experience of all orchards that are properly cared for.

It would be a suicidal policy to deprive one of our chief industries of protection under such conditions.

Mr. President, the demand for a regulation of the tariff downward is being made and political parties have responded to the demand mainly, I am afraid, through political policy and to make votes. But, whatever the motive, it is a demand that should receive careful and conscientious consideration at the hands of law makers and of all classes and political parties. Unnecessary burdens upon the people should not be imposed or continued through too high or uncalled-for tariff exactions. I am a thorough believer in confining tariff levies to such amounts as are necessary to protect deserving industries and enterprises that really need protection. I do not believe in throwing our markets open to the world where that course will destroy or materially check the advance of meritorious and needed enterprises and hinder the growth of our own home industries. At the same time the public good must be considered with the same conscientious care as that of the producer who calls for the protection of his business. Indeed, the common good should be uppermost in mind as a guide in this as in all other kinds of legislation. In this, as in all other cases where legislation is proposed, the good of the whole people must be kept constantly in remembrance and individual interests must be subordinated to the common good. With these principles fully in mind I have tried to deal fairly with this question and to ask for nothing that is not fair and just as between the man who grows and supplies the fruit and the people who buy and consume it. I am thoroughly convinced that the reduction of the tariff on citrus fruits would not benefit the consumer in the least. I am equally convinced that the fight that is being made to reduce the tariff is not being made by or in the interest of the consumer or the people of this country. It is being carried on by and in the interest of the foreign growers and their agents and brokers and importers in this country, themselves largely foreigners, and all of them in consideration alone of their own interests without the least concern for the consumer.

The hearings had on this question of the tariff will show that the foreign producers, importers, and dealers appeared by their paid attorneys and in their own behalf alone. The consumer has had no hand in it except as he has been used by these interests hostile to our home industries. The funds necessary to bring about free lemons, or a tariff so low as to be practically the same, have been raised by a tax imposed by parties interested in the foreign competitors, upon every box of foreign-grown fruit imported into our markets. If they can bring about such legislation it will practically destroy domestic competition, give them a monopoly of the trade, and place the consumer in this country completely at their mercy. Does the Democratic Party want to put itself in the position of destroying so important an industry in a great and growing State at the behest and wholly in the interest of foreign competitors without the

slightest benefit to home consumers? Our astute Democratic friends may think this a popular move that will make their party votes. It will, in the Latin quarter of the city of New York and a few other places where Democratic votes are not needed, but not elsewhere. Looking at it as a purely political move supposed to be popular, no graver mistake could be made. The people in California will resent it. Just-minded people all over the country who believe in fair dealing toward our own people will resent it, and it will, as an act of injustice always does, react upon the party that perpetrates it. I appeal to the good sense, the justice, and the patriotism of Senators to see that no such reduction of the tariff is made as will destroy or impair this great and important industry of my State.

Mr. President, I have consumed considerable time, and I must confess I am somewhat weary. The Senator from Massachusetts [Mr. WEEKS], I understand, is desirous of submitting some remarks upon the subject, and, if it be agreeable to the Senate, I should be very glad to suspend at this point and to be allowed to take up the discussion again to-morrow. I expect to-morrow to discuss the tariff on sugar, English walnuts, olives, and olive oil, all of which are important industries in my State. I submit, Mr. President, whether consent will be given to my request.

The VICE PRESIDENT. The Chair hears no objection to the request of the Senator from California.

Mr. GALLINGER. I will say to the Senator from California that no other Senator is scheduled to speak to-morrow, and doubtless the Senator from California will have the opportunity he desires.

Mr. WEEKS. Mr. President, I have prepared what I am going to submit to the Senate this afternoon, and I prefer not to be interrupted until I have finished my remarks, though at that time I shall be very glad to answer questions, if Senators wish to ask them.

Mr. President, it is not my purpose to discuss at this time the details of any particular schedule; that should be done later during the reading of the bill; but there are some general observations which I wish to submit having a direct bearing on this legislation and the policies and principles involved, including the reasons for the proposed changes.

As far as our fiscal policy is concerned, the country has come to the parting of the ways, and when the pending bill is passed we shall have an opportunity to determine whether such radical changes can be made without greatly impairing business activity and the general prosperity. If the results are like those which have followed previous changes along similar lines, there will be no question about the verdict of the country when it again has an opportunity to pass on this action. If, on the other hand, it is found that the changes have demonstrated their soundness, then the question of a tariff policy will have been settled for a long term of years. It is undoubtedly true that the Democratic Party is doing what a large minority of the people of the country understands it promised to do, the reasons given for these promises being sufficient to persuade this minority of the voters—many of whom have had no experience with hard times—to support radical changes in the tariff. Whether this is being done wisely as to details or not is quite another question. The chairman of the Ways and Means Committee of the House in discussing the so-called Underwood bills of last year, on being challenged on the floor of the House of Representatives at different times, stated that as far as he knew and as far as it could be done protection had been eliminated from the at that time pending legislation. As the bill which we are now considering is much more drastic than they were from a protection standpoint, undoubtedly he and all others who agree with him would make the same answer now. It is not of any particular importance to try to determine whether this leading Democrat or that leading Democrat is in favor of free trade, for the Democratic Party has at different times advocated all shades of tariff principles, from declaring protection is robbery to advocating a tariff for revenue with incidental protection. What we are concerned with is the fact that the Republican Party believes in placing a duty on articles of home production, raising sufficient revenue by so doing, and at the same time protecting the labor and capital engaged in the industry from unequal competition. This bill provides, as far as it can be done, for raising the required tariff revenue from those articles which our people are not large factors in producing, a glaring example of this being the putting of many food products on the free list, the assigned purpose being to reduce the cost of living, and at the same time making up the loss in revenue by putting a duty on bananas, another food product which we do not produce.

Let us consider the principal reasons which have been assigned for this radical downward revision of the tariff, this change in our fiscal policy. Briefly stated they are—

First. To reduce the cost of living.
 Second. To curb the power and operations of the trusts, including the selling of surplus products abroad at lower prices than at home.

Third. To develop competition.
 Fourth. To bring about a different distribution of wealth.
 And it is proposed to do all this without injury to or destroying legitimate industry.

In my opinion a change in the tariff will have little, if any, influence in affecting any of these questions, and I propose to discuss my reasons for this conclusion.

The first of these contentions, the cost of living, has been frequently debated and I think no one at this time places great reliance on lessening it by reductions in the tariff; undoubtedly there may be some reduction in prices, but the real test is the relation between prices and income. Very largely prices are regulated by supply and demand; they do not advance or decline locally, necessarily, but the conditions which produce changes are frequently world-wide; great changes are not due to variation in the cost of production to anything like the same extent that they are influenced by the cost of distribution and both causes contribute infinitely less to the real cost of living, net cost, than the demand for what, based on the conditions of the past, may be called luxuries. We demand electric lights; modern heating and ventilating apparatus; bathrooms in every possible place; the automobile; the telephone; the telegraph; the wireless; talking machines; delivery systems, including those provided by the Post Office Department; and all kinds of foods packed, canned, and bottled, instead of sold in bulk.

The cost of advertising is also a material element and is paid by the consumer, and we go on to the end of our daily requirements and complain because we pay more for these things than our forefathers paid for the simplest necessities. We do in most cases pay more for the same article than we did 10 or 20 or 30 years ago, but so do the people of all other countries; that, however, is not the test which determines the prosperity of the people.

[Furnished by Printer's Ink.]

Newspaper advertising (retail and general).....	\$250,000,000
Direct mail advertising (circulars, form letters, etc.).....	100,000,000
Magazine advertising.....	60,000,000
Farm and mail-order advertising.....	75,000,000
Novelty advertising.....	30,000,000
Billposting.....	30,000,000
Outdoor (electric sign, painted sign, etc.).....	25,000,000
Demonstration and sampling.....	18,000,000
Street car advertising.....	10,000,000
House organs, etc.....	7,000,000
Distributing.....	6,000,000
Theater program, curtain, and miscellaneous.....	5,000,000

Grand total..... 616,000,000

Similar estimates were furnished by the Business Bourse, placing the total at \$682,000,000 annually.

Many of the Democratic Members who spoke on the tariff question in the House followed a well-established precedent and included in their remarks long tables showing the difference in cost of many articles at other times and now; all that is admitted, but it proves nothing; these same speakers never take the trouble to prepare wage statistics for the same periods; fortunately we have some sources from which absolutely definite comparisons may be made, viz., the report of the British Board of Trade in 1909, a most careful investigation and analysis of relative conditions in Great Britain and the United States, as well as our census, consular, and bureau reports. The British board summarized its conclusions as follows:

The workman's wages would be higher in the United States by about 130 per cent with slightly shorter hours, while on the other hand his expenditures for food and rent would be higher by about 52 per cent.

And again the report states that—

the average weekly family income in certain specified trades in the United Kingdom, including building, engineering, printing, and common labor, is \$7.74. The average weekly family expenditure for food is \$4.93, or 63.6 per cent of the family income. In the United States the average weekly family wage in the same trades is \$19.25, and the average weekly family expense for food is \$8.03, or 41.7 per cent. The difference in favor of the wage in the United States amounts to 21.9 per cent of the average weekly wage, or \$4.20 a week.

There are volumes of evidence, much of which I have collected and some of which I will print at this time, showing that conditions in this country relating to the cost of living are world-wide. For instance, the following from the Economist, London, March 16, 1912, shows the condition in Germany:

The official statistics of prices issued by the German Government show that the highest level that has been touched since prices began to rise several years ago was reached in January. Of the 39 articles embraced in the statistics not less than 21 showed higher prices than in December, while only 9 were lower and 9 were unchanged. As compared with January, 1911, the prices this year (1912) are 14.6 per cent higher, and as compared with February, 1909, when a low record was made, 21.8 per cent higher. The upward movement in

January was most marked in grains, textile products, and minerals. Grains showed an average rise of 3.62 marks per metric ton as compared with December, textile products 3.34, and minerals 3.03 marks.

This is a much more rapid advance than has taken place in the United States during these years, as is evidenced by the following figures:

The average wholesale prices in the United States in 1910, as measured by the prices of 257 commodities included in an investigation by the Bureau of Labor, was 4 per cent higher than the average of 1909 and 16.6 per cent higher than in 1890, and wholesale prices in 1910 were 19.1 per cent higher than in 1900. Comparisons with Great Britain and Germany are used because the standards of living, the cost of food, and so forth, come nearer to conforming to those of the United States than do those of other countries. In all cases with the increase in the cost of commodities has come an increase in wages. In 1907 the average wages per hour in the chief manufacturing and mechanical industries of this country were 3.7 per cent higher than in 1906, the regular hours of labor per week were 0.4 per cent lower than in 1906, and the number of employees in the establishment was 1 per cent greater than in 1906.

These figures, as noted, are from the Bureau of Labor's investigation into the subject. This investigation also shows that the retail price of food, according to the consumption in representative workingmen's families, was 4.2 per cent higher in 1907 than in 1906. For 1907 the advance in retail prices over 1906 was greater than the advance in wages per hour; the purchasing power of an hour's wages, as measured by food, was slightly less in 1907 than in 1906, the decrease being one-half of 1 per cent.

Compared in each case with the average for the years from 1890 to 1899, the average wages per hour in 1907 were 28.8 per cent higher, the number of employees in the establishments investigated was 44.4 per cent greater, and the average hours of labor per week were 5 per cent lower.

The retail price of the principal articles of food was 20.6 per cent higher in 1907 than the average price for the 10 years from 1890 to 1899. Compared with the average for the same 10-year period the purchasing power of an hour's wages in 1907, as measured in the purchase of food, was 6.8 per cent greater, and wages had increased 28.8 per cent, while food had increased but 20.6 per cent.

The following table shows the per cent of increase or decrease in wages per hour, hours of labor per week, the purchasing power of wages in 1907 in the manufacturing and mechanical industries as compared with years preceding, back to and including 1890 and as compared with the average for the 10 years—1890 to 1899:

Per cent of increase (+) or decrease (-) in 1907, as compared with previous years, in employees, hours per week, wages per hour, full-time weekly earnings per employee, retail prices of food, and purchasing power of hourly wages and of full-time weekly earnings per employee, measured by retail prices of food, 1890 to 1907.

Year.	Per cent of increase (+) or decrease (-) in 1907 as compared with previous years.						
	Em- ploy- ees.	Hours per week.	Wages per hour.	Full- time weekly earn- ings per em- ployee.	Retail prices of food weighted accord- ing to family con- sump- tion.	Purchasing power, meas- ured by retail prices of food, of—	Full- time weekly earn- ings per em- ployee.
					Hourly wages.		
Average 1890-1899.....	+44.4	-5.0	+28.8	+22.4	+20.6	+ 6.8	+1.5
1890.....	+52.3	-5.7	+28.4	+21.2	+17.8	+ 9.1	+2.9
1891.....	+48.4	-5.5	+28.4	+21.4	+16.2	+10.6	+4.5
1892.....	+45.6	-5.5	+27.8	+20.8	+18.4	+ 8.0	+2.1
1893.....	+45.3	-5.3	+27.7	+20.9	+15.5	+10.6	+4.7
1894.....	+53.5	-4.8	+31.6	+25.3	+21.0	+ 8.8	+3.6
1895.....	+49.8	-5.1	+31.0	+24.4	+23.3	+ 6.3	+ 9
1896.....	+46.5	-4.8	+29.2	+23.0	+26.3	+ 2.3	-2.6
1897.....	+43.1	-4.6	+29.3	+23.4	+25.2	+ 3.3	-1.5
1898.....	+35.7	-4.7	+28.5	+22.5	+22.2	+ 5.2	+ 3
1899.....	+28.8	-4.2	+26.3	+20.9	+21.2	+ 4.2	- 2
1900.....	+24.9	-3.7	+22.1	+17.6	+19.3	+ 2.3	-1.5
1901.....	+21.2	-3.2	+19.3	+15.6	+14.6	+ 4.0	+ 8
1902.....	+16.8	-2.4	+14.8	+12.1	+ 8.7	+ 5.5	+3.0
1903.....	+14.2	-1.7	+10.7	+ 9.0	+ 9.3	+ 1.3	- 3
1904.....	+14.9	- 9	+10.1	+ 9.1	+ 8.0	+ 2.0	+1.1
1905.....	+ 8.1	- 9	+ 8.3	+ 7.4	+ 7.3	+ 9	+ 1
1906.....	+ 1.0	- 4	+ 3.7	+ 3.3	+ 4.2	- 5	- 9

This demonstrates that until 1907 the purchasing power of an hour's wages increased each year, and from incomplete data at hand it is believed the same condition has existed

since 1907. In fact, there is no evidence to show that the cost of living—net—is rising; it seems to be about stationary, for the statistics furnished by the census reports and Bureau of Labor show that wages per hour have, from 1896 to 1910, increased 31 per cent, while during the same period the commodities consumed by the wage earner have increased in price 33 per cent. The average increase in the price of commodities has been slight, even if there has been any since 1910, while there have been many increases in wages.

It is not possible to get accurate figures since 1910, but those available indicate that the rate of wage per hour has increased much faster than the cost of commodities which the workman buys.

On this question of cost of living I quote with approval from an article in Cotton, June, 1913, by Wilfred I. King, instructor in political economy, University of Wisconsin:

The careful investigation made by the British Board of Trade recently as to wages and prices in different countries proves quite conclusively that the cost of living is much lower for the American workman than for his British cousin, while the cost of living in Great Britain is considerably lower than in Germany—that is, for an hour's work the wages of the American employee will buy a larger supply of such commodities as he needs than he could obtain for a like amount of effort if he worked in a British establishment. Similarly, the German workman obtains less for an hour's work than the Britisher in the same occupation and very much less than the American similarly employed. The study of the British Board of Trade merely verifies the results as shown by many less complete investigations of a like nature. It is a thoroughly established fact that the cost of living is relatively low in the United States, Canada, and Australia and very high in such countries as India, China, and Japan. True, prices are lower in the Orient than in America, but wages are very much lower in proportion.

It is proven beyond a doubt by abundant and reliable statistics that the cost of living of the workman is much less to-day in the United States and in England than was the case a century ago; in fact, it seems a reasonably safe assertion to say that it is to-day considerably less than half what it was a hundred years since. The workman, like the other citizens, has shared in the prosperity brought about by invention, discovery, and the organization of industry. The United States has been especially prosperous, and the best data available indicate the cost of living to be not more than a third of what it was in the days of Washington and Jefferson. As measured by the standards of the past, the cost of living is very low.

Many persons believe the tariff to be responsible for the upward turn of the cost of living. The tariff to-day is a little if any higher than formerly. I have contended, and I believe it to be true, that a reduction in the tariff would somewhat, though not greatly, reduce the cost of living. I see, however, no reason to believe that the tariff is in any way responsible for the cessation in the fall of the cost of living. The phenomena is the same in the low-tariff England and high-tariff United States, France, and Germany.

After an investigation of all the reasons for the probable increase in the cost of living, noting the influence of gold-output monopoly, the tariff, and the cost of distribution, I incline to the opinion that it is due in a greater degree to density of population or less land per capita than to any and perhaps all other reasons combined.

The following statement by Prof. Frank Fetter, in the president's address to the last meeting of the American Economic Association, expresses this view with clearness and force:

It is the result of forces pointed out by Ricardo, Malthus, and Mill. The law of diminishing return is at work. Population is pressing upon the means of subsistence. The West no longer offers free fertile lands to all comers, and as a result the price of foods is advancing, affecting not only the United States but Europe.

Whenever population increases faster than the land supply, wages tend to fall. Great density of population means less land per capita, less food per capita, less living room, less prosperity. In the United States, Canada, New Zealand, and Australia population is comparatively scattered and real wages are high. In Germany, France, and Italy population is more dense and real wages are lower. In Japan, India, and China population is overcrowded and wages are at the level of bare subsistence. After population reaches a certain density, more people means more poverty. The United States has passed this point,

and as long as we leave open our ports to the floods of immigration from low-wage countries, just so long will our population increase rapidly and only marvelous progress in invention can keep real wages from falling.

The following table shows the composition of the family income in the American group. It is seen that the higher income is not due to the increased earnings of other members of the family than the head.

Weekly family income.	Number of families reporting.	Average weekly family income from—						
		Husband.	Wife.	Children.			Other.	
				Under 16 years.	16 to 20 years.	21 years and over.		
Under \$9.73.....	67	\$8.16	\$0.26	\$0.07	.....	\$0.12	\$0.19	\$0.14
\$9.73 and under \$14.60..	532	11.53	.25	.11	\$0.23	.07	.41	.22
\$14.60 and under \$19.47..	1,036	15.16	.29	.20	.50	.21	.91	.63
\$19.47 and under \$24.33..	545	17.14	.27	.33	1.63	.73	2.69	1.40
\$24.33 and under \$29.20..	437	19.11	.55	.28	2.94	1.18	4.40	2.04
\$29.20 and under \$34.07..	224	19.14	.30	.46	4.98	3.88	9.32	2.62
\$34.07 and under \$38.93..	131	19.98	.44	.62	6.54	4.56	11.72	3.99
\$38.93 and over.....	243	22.34	.36	.40	9.75	13.88	24.08	3.60

Weekly family income.	Average weekly family income.	Average number of children at home.	Average persons per family.
Under \$9.73.....	\$8.76	1.78	3.78
\$9.73 and under \$14.60..	12.42	2.06	4.08
\$14.60 and under \$19.47..	16.99	2.46	4.54
\$19.47 and under \$24.33..	21.51	2.88	5.02
\$24.33 and under \$29.20..	26.10	3.07	5.27
\$29.20 and under \$34.07..	31.38	3.03	5.82
\$34.07 and under \$38.93..	36.13	3.82	6.10
\$38.93 and over.....	50.33	4.20	6.38

The following table shows for England and Wales and for the United States the average weekly family income and the average amount and per cent of the expenditures for food, the families being classified according to weekly family income:

Limits of weekly family income.	Average weekly family income.	Average number of children living at home.	Expenditure on food (excluding wine, beer, and spirits).	
			Average amount.	Percentage of income.
UNITED KINGDOM.				
\$6.08 and under \$7.30.....	\$6.56	3.3	\$4.34	66.18
\$7.30 and under \$8.52.....	7.77	3.2	5.05	65.04
\$8.52 and under \$9.73.....	8.89	3.4	5.42	61.04
UNITED STATES.				
\$9.73 and under \$14.60.....	12.42	2.06	5.91	47.62
\$14.60 and under \$19.47.....	16.99	2.46	7.50	44.15
\$19.47 and under \$24.33.....	21.51	2.88	8.86	41.19
\$24.33 and under \$29.20.....	26.10	3.07	9.86	37.78

The following table shows the comparative cost in the two countries of the articles in the average British budget:

Cost of the average British workman's weekly budget (excluding commodities for which comparative prices can not be given) at the predominant prices paid by the working classes of England and Wales and the United States.

Commodity.	Quantity in average British budget.	Predominant range of retail prices.		Cost of quantity in British budget in—	
		England and Wales, exclusive of London (October, 1905).	United States (February, 1909).	England and Wales.	United States.
Sugar.....	5½ pounds.....	\$0.041 per pound.....	\$0.056 to \$0.061 per pound.....	\$0.218	\$0.309
Cheese.....	¼ pound.....	\$0.142 per pound.....	\$0.203 per pound.....	.107	.152
Butter.....	2 pounds.....	\$0.269 per pound ¹	\$0.324 to \$0.355 per pound.....	.537	.679
Potatoes.....	17 pounds.....	\$0.051 to \$0.071 per 7 pounds.....	\$0.117 to \$0.167 per 7 pounds.....	.147	.345
Flour.....	10 pounds.....	\$0.162 to \$0.203 per 7 pounds.....	\$0.233 to \$0.274 per 7 pounds.....	.259	.363
Bread.....	22 pounds.....	\$0.091 to \$0.112 per 4 pounds.....	\$0.218 to \$0.233 per 4 pounds.....	.558	1.242
Milk.....	5 quarts.....	\$0.061 to \$0.081 per quart.....	\$0.086 to \$0.096 per quart.....	.855	.456
Beef.....	4½ pounds.....	\$0.137 per pound ²	\$0.122 to \$0.162 per pound.....	.619	.639
Mutton.....	1½ pounds.....	\$0.129 per pound ²	\$0.132 to \$0.167 per pound.....	.193	.223
Pork.....	¼ pound.....	\$0.152 to \$0.172 per pound.....	\$0.117 to \$0.147 per pound.....	.081	.066
Bacon.....	1½ pounds.....	\$0.142 to \$0.183 per pound.....	\$0.172 to \$0.203 per pound.....	.243	.284
Total cost of the above.....				3.317	4.755
Index numbers (England and Wales, October, 1905; United States, February, 1909.....)				100	143
(Adjusted for February, 1909.....)				100	138

¹ Mean of colonial or "foreign" and Danish.

² Mean of British or home-killed and of foreign or colonial.

From the above table it appears that the English housewife would have to pay \$4.755 at American prices for the same quantities of those articles of food which cost at English prices in October, 1905, \$3.317, or, as adjusted to the prices of February, 1909, about \$3.44. Her weekly expenditure in the United States would thus be raised on the adjusted prices about \$1.30, or 38 per cent. During these years of increasing prices for commodities and increasing wages the tariff has not been increased; in fact, it was lowered in 1909 without, in my judgment, materially affecting either prices or wages or the net results of labor here. Those in authoritative position in the Democratic Party are evidently hedging on this assigned reason for putting their party in office, for the President, in his recent message to Congress urging immediate action on currency legislation, which, it is true, is necessary, but which has no connection whatever with tariff legislation, gives as one of the reasons for early action that it was necessary in order to make tariff legislation more effective. The head of the business department in the present administration, Secretary Redfield, who is regarded by many as an expert in tariff matters, stated in a recent interview relating to the high cost of living that a change in the tariff could not in any sense be considered a cure-all, that it was simply a step in removing obstacles which prevent the easy exchange of products, and then he added:

But no intelligent man expects it to be more than a step. What, then, is the principal benefit arising from the tariff bill? To my thinking it is a moral and mental benefit.

I doubt if Mr. Secretary Redfield used that language on the stump during the campaign last year.

And another eminent Democrat, the chairman of the Ways and Means Committee of the House of Representatives, who may now properly be termed an expert on this subject, in his speech in the House of Representatives April 25, 1913, in opening the debate on the bill, made the following references to the cost of living:

On the other hand, we know in many countries not maintaining a high protective tariff, although the cost of living has increased to some extent, the actual cost to each individual is far less and has increased proportionately less than it has to the people of the United States.

So have wages increased less, and food has increased more rapidly than wages.

Although we have reduced the tariff in the interest of the consumer in this bill, it would be untrue to say that the effect of this reduction is going to be immediate. There are many reasons why we can not promise this to the people, but there is one which is quite sufficient. Under all the laws of trade supply and demand must regulate prices. The retail merchants of the country have fixed their prices to-day on goods now on their shelves, which were bought under conditions fixed by Republican legislation.

I make this comment on that statement that, of course, if other merchants are able to buy cheaper and sell cheaper the holder of goods at the time this bill passes will have to make his prices conform to those of his rivals in trade.

I agree with those who have declared that there is likely to be a decline in the prices of some commodities, but it will result from a decrease in purchasing power rather than from tariff changes. If the purchasing power of our people is injured, those who produce, manufacturers, agriculturalists, and labor alike, must expect less demand for their products or services and at lower rates. No interest in a community can be injured without affecting all others, and that wave of demoralization will spread to the remotest sections of our country. It is true that there is discontent, but explaining it by charging it to the cost of living, and the reason for that to the tariff, is the diagnosis of an incompetent; in this case the Democratic Party. For I repeat, the net cost of living, that which results after all bills are paid at the end of the year, notwithstanding our extravagance and wastefulness, is the lowest in the world; that is, our people are larger net savers than any others, and figuring with this condition as a basis, the net results during the period since the passage of the Dingley bill in 1897 have been the best in our history, probably the net savings per capita have been more than twice, and perhaps more than three times, as great as they were during the first half century of our existence as a Nation. How does it profit a man to buy his necessities at low prices if his income is only sufficient for that purpose? How much better his condition, even if he is paying high prices, if his income enables him to do it and have a balance at the end of the year.

In the tariff plank adopted by the Democratic national convention at Baltimore in 1912 is found this declaration:

Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put on the free list.

To make this declaration in any way workable it would be necessary to determine what a trust-controlled product is and

what a trust is. No definition of a trust has been proposed which is entirely satisfactory. The Cabinet officer who just now is eking out an insufficient salary by devoting his time to Chautauqua lectures once declared that any company or corporation which manufactured one-half of the total output of a definite product is a trust. Possibly this defines a trust as well as it can be done, in which case, however, there are comparatively few in the United States. It is true that it is quite common to speak of this trust, or that trust, or the other trust, but in many cases the company or corporation to which reference is made does not manufacture 15 or 10 or even 5 per cent of the goods produced in that industry; therefore such a criterion would be far removed from the trust as defined by Mr. Bryan. Even if anyone could define a trust with accuracy, has this plank of the Democratic platform had any influence in controlling the proposed free list? The slightest examination of this schedule will show that in most instances there is no connection between trust-made products and others which have been put on the free list. Products like wheat, flour, fruits, meats, oats, potatoes, rye, shoes, leather, the products of leather, and many other similar articles too numerous to mention, all of which are intensely competitive in their production, have been treated exactly as would be a trust-made product; therefore it seems to be a fair conclusion that no attention has been paid in the proposed bill to that part of the quotation from the platform. This is also true of the rest of the quotation relating to sales abroad, but to that I wish to refer in more detail. It seems to be impossible for a Democrat to understand that it is good public policy for domestic manufacturers to dispose of their surplus product wherever a market can be found, even if the price obtained is less than the cost of manufacturing.

The only times when this policy is adopted in this country is when a surplus is produced which can not be marketed at home without closing down or curtailing the production of a plant, in which case it may be sold abroad at whatever price can be obtained for it. I maintain that this is sound policy, which is of distinct advantage to the manufacturer and his shareholders, to the laborer employed in the industry, to all those living in the community where the goods are manufactured, and as a result to the country as a whole. And I would go further, for while we only sell our surplus under these conditions we might well adopt the methods followed in Germany; that is, to sell the entire output of a factory abroad at lower prices than similar grades of goods are sold at home. By following our usual policy our manufacturers are operating at a disadvantage, for frequently goods which are manufactured for our market, and which can be disposed of in that market at satisfactory prices, when sent to other markets to which they are not suited must be sold at a great sacrifice even if they can be sold at any price. The Germans study the requirements of the trade which they are after and manufacture the kind of goods which are suitable for that trade, the kind which it is accustomed to and for which there is an established demand, confining themselves to the styles and the colors required in that market. Our manufacturer may go into the same market with goods of similar texture and value to the goods of the German manufacturer, but they may not have suitable colors or they may not be put up in forms that meet the requirements of the trade, so they do not find the ready market which is found for the goods of our competitor, the result being that in Germany large industries are being developed, steady employment is furnished to a great number of people, lines of transportation are established by German capital and are profitably employed in transporting this product and the trade which it develops, and the German Navy is provided with a fleet of transports without the necessity of maintaining them in time of peace. We are never going to reach a satisfactory stage in the development of our foreign trade until we cater to the exact wants of our customers; until we have established lines of steamers to carry our own products; until we have established banks in the countries with which we are doing business through which the trade can be financed; in fact, until we have adopted all of the up-to-date policies which are commonly practiced in the countries which are our rivals in developing trade with nonmanufacturing countries.

But to come back to the question of disposing of our surplus manufactures. Those directly interested are the furnishers of the capital employed in the industry and the laborers engaged in the manufacturing of these goods. What labor wants is steady employment at remunerative wages. All employers recognize the fact that steady employment is a great factor

in developing efficient and contented workmen. What capital wants is steady employment with reasonable returns. Neither condition can be insured if an industry is absolutely dependent on the home market, which varies in volume with the season, with the condition of the crops, and with the condition of general business. Let me illustrate what this means to both the manufacturer and to the laborer. I will use as examples several industries which have furnished me with figures taken from their own books and checked up as to their accuracy as far as it has been possible to do by comparing them with annual reports and other similar sources of information. One of the best and most convincing arguments in favor of the policy of selling surplus products wherever and whenever a market can be obtained is shown in the shoe trade. Shoe manufacturers agree that when a factory is running three-fourths of the time the cost of manufacturing the average shoe is 5 cents a pair greater than would be the cost if it were running full capacity and full time; and if it were running one-half of the time the cost of manufacturing shoes would be 10 cents a pair greater than if the factory were running all the time at its full capacity. These figures would vary somewhat in the manufacture of different grades of shoes, but they are substantially correct if an average is taken.

The testimony is almost universal among shoe manufacturers who have studied the question carefully that the average profit made per pair of shoes in all factories in the United States is about 7 cents. Let us take as an example shoes costing the manufacturer \$2.50. These would be sold to the retailer at from \$2.55 to \$2.60 per pair. The retailer sells them at from \$3.50 to \$4 per pair; the cost to retail shoes being about 30 per cent of the retail selling price. In such a case the manufacturer would make somewhat less than 7 cents a pair and the retailer would make from nothing to 25 cents per pair, dependent on the varying cost of selling the shoe in towns of different sizes and in different sections of the country. Now, if the manufacturer were running his factory at 75 per cent of its capacity, instead of the shoes costing him \$2.50 they would cost \$2.55; if he were running at one-half of its capacity, instead of the shoes costing him \$2.50 they would cost \$2.60; in one case he would only be making a profit of 2 cents a pair, while in the other case he would be losing 3 cents a pair. Therefore, to get the best results it is absolutely essential that he run his factory at full capacity. On account of seasonal changes in styles and shapes of shoes it is difficult to run a shoe factory at full capacity more than three-fourths of the time.

Let us take the case of a manufacturer who makes a profit of 8 cents a pair on his output if he runs his factory at full capacity. If he ran it at full capacity three-fourths of the time and shuts down one-fourth of the time, his profit would be 3 cents a pair; but if he sold three-fourths of his output at full price and the balance, one-fourth, at cost, he would make 6 cents a pair on his total output. Let us assume that he manufactures 1,000,000 pairs a year when running at full capacity; he would make 8 cents a pair, or his profit for the year would be \$80,000. If he ran full capacity, but sold one-fourth of his product at cost, his profit would be \$60,000. If he ran three-fourths of the time at full capacity and shut down his factory one-fourth of the time, his profit would be \$22,500. In other words, he could afford to run his factory at its full capacity, selling one-fourth of the output at a loss of 15 cents a pair, and come out at the end of the year with the same net profit that he would if he ran his factory three-fourths of the time at its full capacity and shut down for the remainder of the year.

Now, what is the result as far as the people employed in such a factory is concerned? The average wage paid to a shoe employee in Massachusetts is about \$560 annually. If the employee only works three-fourths of the time, his income will be reduced to \$420. In other words, he would have \$140 less annual compensation than if the factory were run full time. This would necessarily reduce rentals and directly affect every person having anything to sell in that community and indirectly affect every person in it. Furthermore, if any surplus output is sold in foreign countries it influences shoe manufacturing in those countries, making their factories far less dangerous competitors than they would be if they had control of their own markets. This course of reasoning will apply with equal force in every industry, though the illustration can not be as pointedly made as in the case of shoes on account of the variety of material going into other products and the great variety of the production as well as variations in prices. But let us take, for example, the conversion costs in textile manufacturing.

FIRST EXAMPLE.
WORSTED.

Figures showing increases in costs due to decreases in per cent of production.

Top making.

[Conversion costs of making tops based on full-time production of 350,000 pounds of tops per week.]

	Conversion cost.	Increase in conversion cost.
	Per cent.	Per cent.
Full-time production.....	100	.....
Three-fourths time production.....	110.9	10.9
One-half time production.....	132.4	32.4
One-fourth time production.....	196.5	96.5

Worsted spinning.

[Conversion costs of making worsted yarns, based on full-time production of 175,000 pounds of 2/30s per week.]

	Conversion cost.	Increase in conversion cost.
	Per cent.	Per cent.
Full-time production.....	100	.....
Three-fourths time production.....	106.4	6.4
One-half time production.....	119.1	19.1
One-fourth time production.....	157.4	57.4

Worsted cloth—weaving.

[Conversion costs per yard of weaving worsted cloth, based on a full-time production of 300,000 yards of cloth per week.]

	Conversion cost.	Increase in conversion cost.
	Per cent.	Per cent.
Full-time production.....	100	.....
Three-fourths time production.....	114.8	14.8
One-half time production.....	136.7	36.7
One-fourth time production.....	192.1	92.1

Worsted cloth, dyeing and finishing.

[Conversion costs of dyeing and finishing, based on same production.]

	Conversion cost.	Increase in conversion cost.
	Per cent.	Per cent.
Full-time production.....	100	.....
Three-fourths time production.....	119.5	19.5
One-half time production.....	139.2	39.2
One-fourth time production.....	170.7	70.7

SECOND EXAMPLE.
COTTON.

Cotton spinning.

[Conversion costs of making cotton yarn, based on full-time production of 75,000 pounds per week of 2/30s combed yarn.]

	Conversion cost.	Increase in conversion cost.
	Per cent.	Per cent.
Full-time production.....	100	.....
Three-fourths time production.....	113.2	13.2
One-half time production.....	140	40
One-fourth time production.....	219	119

THIRD EXAMPLE.
WORSTED MANUFACTURING.

A worsted manufacturer finds under conditions which have existed during the last six months that he could only run 52 looms, and the actual figures have shown that the goods which he has manufactured on this basis have cost 10.23 cents more per yard than if he ran 96 looms his full capacity, from which he figures that if he closed down his factory it would cost 28 per cent of the actual cost of his output when running 96 looms and that it would cost 39 per cent of his actual cost if running 52 looms. Many worsted manufacturers have testified that the profit in manufacturing ordinary goods is not far from 10 cents a yard; therefore if this mill were running at one-half its

capacity the profit would be nothing. How much better would it be in every way to run the mill at full capacity, even if one-half of the goods had to be sold abroad at cost, for in that case the manufacturer would have a profit of 10 cents per yard on his entire output for six months of the year, and he could even sell one-half of his output at 10 cents a yard less than cost and come out as well at the end of the year in dollars and cents as he would if he only ran his mill at one-half of its capacity six months and closed it down the rest of the year; in fact, he would be better off in every way, because he would not have disrupted his organization and his plant would be in better condition than if it had been idle. This mill is one of the most economically managed in Massachusetts. The evidence shows that in most cases if mills were idle one-third of the time instead of one-half that there would be no profit.

FOURTH EXAMPLE.

A cotton mill having 62,000 spindles, with a capacity of 75,000 pounds of yarn a week, shows the fixed charges connected with the plant—office, and general charges which can not be cut off during a shutdown—amount to 6 cents per pound. In other words, this plant could run full capacity, sell half of its output at 6 cents per pound less than cost, and be as well off from the stockholder's standpoint as it would be by running one-half of the time at its full capacity and closing down the remaining six months, in addition to continuing the employment of its workmen and all the other incidental advantages.

FIFTH EXAMPLE.

A cotton mill capitalized at \$1,500,000, operating 135,000 spindles, running full time, produced 30,000,000 yards of colored cotton goods during the last six months; the net earnings, based on actual results of this operation, were one-sixteenth of a cent a yard, or \$20,700 for the six months. If this mill had been forced to curtail production by shutting down for one-fourth of the time, its production would have been reduced to 23,000,000 yards, which reduction, combined with the increased burden of fixed charges, would have changed the profit of one-tenth of a cent per yard into a loss of four-tenths of a cent per yard—or an actual loss of \$93,600. In other words, the manufacturer by running his mill at full capacity could have sold one-fourth of the mill's output at a loss of twenty-two one-hundredths of a cent per yard and come out without loss for the six months.

SIXTH EXAMPLE.

A worsted mill producing 5,000,000 yards annually shows a fixed charge of 8 cents per yard. Running three-fourths of full time this charge would be increased to 10.7 cents per yard; if running at half time to 16 cents per yard; and one-fourth time to 32 cents per yard. In this mill, figuring a profit of 12 cents a yard, it would, if running full capacity, make a net profit of \$200,000; if running three-fourths capacity make a net profit of \$50,000; if running one-half capacity make a net loss of \$100,000; if running one-fourth capacity make a net loss of \$250,000.

SEVENTH EXAMPLE.

A cotton mill using 100,000 spindles and weaving 6,000 pieces of 64 square 33 $\frac{1}{2}$ -inch goods, the difference of the cost running the mill 12 months and 9 months was found to be three-tenths of a cent per yard, and in round numbers would be about \$50,000 a year. This case applies to a cloth which sells at about 4 $\frac{1}{2}$ cents per yard. And in all of the examples given it goes without saying that the differences would vary somewhat with more or less expensive goods.

Taking all of these instances, and they could be multiplied by as many as there are mills in the United States, can there be any question about the advisability of the policy of running manufacturing plants at their full capacity, either from the standpoint of capital, labor, or the community at large, and could there be any greater folly than the declaration in the Baltimore platform "because some goods are sold abroad at a price less than the prevailing price in this country, that the duty shall be removed?" It might be possible that for other reasons there should be no duty imposed in such cases, but that the duty should be removed for such a reason seems to be an incredible piece of stupidity and lack of appreciation of one of the very fundamentals in conducting a profitable manufacturing business.

In all of these instances it is clearly demonstrated that it is not the manufacturer who is most affected by closing down a plant, but the workman. The manufacturer may be, in dollars and cents, as well off to close his plant a quarter of the time as he would be by running it all the time and selling his surplus product abroad at the price he could obtain for it, but in the first place the workman would only receive three-fourths of the

wages he would receive if the plant were run at full capacity all the time, and therefore while, as I have stated, the closing down of a plant affects the capital invested, it is particularly burdensome on the workman and through him indirectly affects the whole community.

President Wilson has stated in a recent address that he "believes a Democratic tariff will whet the industrial wits," but such a tariff is much more likely to sharpen the appetites of the worker than the wits of the employer, who in many cases, as can be easily demonstrated, is obliged to work his wits overtime in order to make a living under present conditions and rates of duty. The President's solemn assurance, contained in his message to Congress, that a reason for changing the tariff was to develop competition and increase our foreign trade must have been made without any careful examination into the real conditions of our trade—either foreign or local. The fact is, the United States has been developing its foreign trade more rapidly than any country in the world in the last decade, or since the Republican Party returned to power in 1897. I submit herewith some figures which substantially demonstrate this:

Imports of merchandise.

INTO GREAT BRITAIN.

1890	\$2,047,000,000
1901	2,510,000,000
1910	3,300,000,000
1911	3,311,000,000
1912	3,623,000,000

Increase from 1890 to 1901, 25 per cent.
Increase from 1901 to 1911, 32 per cent.

INTO GERMANY.

1890	990,000,000
1901	1,290,000,000
1910	2,309,000,000
1911	2,271,000,000
1912	2,449,000,000

Increase from 1890 to 1901, 30 per cent.
Increase from 1901 to 1911, 76 per cent.

INTO THE UNITED STATES.

1890	789,000,000
1901	823,000,000
1911	1,527,000,000
1912	1,653,264,934
1913	1,812,621,160

Increase from 1890 to 1901, 4 per cent.
Increase from 1901 to 1911, 85 per cent.

Exports of domestic merchandise.

FROM GREAT BRITAIN.

1890	\$1,282,000,000
1901	1,362,000,000
1910	2,094,000,000
1911	2,210,000,000
1912	2,371,000,000

Increase from 1890 to 1901, 6 per cent.
Increase from 1901 to 1911, 62 per cent.

FROM GERMANY.

1890	791,000,000
1901	1,054,000,000
1910	1,779,000,000
1911	1,928,000,000
1912	2,115,000,000

Increase from 1890 to 1901, 33 per cent.
Increase from 1901 to 1911, 83 per cent.

FROM THE UNITED STATES.

1890	845,000,000
1901	1,460,000,000
1911	2,013,000,000
1912	2,204,322,400
1913	2,465,761,910

Increase from 1890 to 1901, 72 per cent.
Increase from 1901 to 1911, 38 per cent.

Exports of manufactured goods.

FROM GREAT BRITAIN.

1890	\$1,118,000,000
1901	1,104,000,000
1911	1,799,000,000
1912	1,875,000,000

Increase from 1890 to 1901, 0.
Increase from 1901 to 1911, 63 per cent.

FROM GERMANY.

1890	511,000,000
1901	688,000,000
1911	1,141,000,000

Increase from 1890 to 1901, 34 per cent.
Increase from 1901 to 1911, 65 per cent.

FROM THE UNITED STATES.

1890	178,000,000
1901	465,000,000
1911	907,000,000
1912	1,020,000,000

Increase from 1890 to 1901, 16 per cent.
Increase from 1901 to 1911, 95 per cent.

The increase in importations in the last two years has been more than one-third as much as the total importations in 1890,

while the increase in exports in the same time have been more than one-half as much as the total exports in 1890.

The Democratic platform, as well as the President and others in authority in that party, by declaration and inference, gives the impression that one of the reasons for reducing the tariff is to develop competition domestic or foreign; the new free list, however, and the reductions made generally bear no relation to competition, for they include changes in articles in which competition is the keenest, as well as those in which home production practically supplies the local market. In other words, the policy as marked out has been to reduce without regard to facts, to import more and to produce less, without regard to local conditions. As there may be some doubt as to the correctness of this statement, I will give some examples of reductions where there is now active foreign competition, and will ask why the duties in these items should be lowered, and if the result can mean anything except additional importations, which must lessen employment for our capital and labor. To do this I will not go beyond the limit of this Chamber to find articles with which to prove my contention. There are many concerns in the United States engaged in the production of the articles to which I refer.

The ink wells in the desks in this Chamber are made in Austria. Under the present tariff they pay a duty of 60 per cent ad valorem. (Schedule B, par. 98.) The proposed law places a duty of 45 per cent ad valorem. (Schedule B, par. 86.)

Bone letter openers found on the desks of Senators are made in France. Under the present tariff they pay a duty of 35 per cent ad valorem. (Schedule N, par. 463.) The proposed law imposes a duty of 30 per cent ad valorem. (See Schedule N, par. 379.)

Hairbrushes in some of the Senate offices are made in England; those in the Republican cloakroom were made in Japan. Under the present tariff they pay a duty of 40 per cent ad valorem. (Schedule N, par. 423.) The proposed law places a duty on hairbrushes of 35 per cent ad valorem. (Schedule N, par. 345.)

Penknives made in England are sold in the stationery room. The present tariff places the following duties on penknives: Valued at not more than 40 cents a dozen, 40 per cent ad valorem; valued at more than 40 cents and not more than 50 cents a dozen, 1 cent each and 40 per cent ad valorem; valued at more than 50 cents and not more than \$1.25 a dozen, 5 cents each and 40 per cent ad valorem; valued at more than \$1.25 and not more than \$3 a dozen, 10 cents each and 40 per cent ad valorem; valued at more than \$3 a dozen, 20 cents each and 40 per cent ad valorem. (See Schedule C, par. 152.) The proposed law places a duty on penknives—those valued at not more than \$1 a dozen at 35 per cent ad valorem and on those valued at more than \$1 a dozen at 55 per cent ad valorem. (Schedule C, par. 130.)

Pens in the stationery room are made in England. The present tariff places a duty on pens at 12 cents a gross. (Schedule C, par. 186.) The new law places a duty on them at 8 cents a gross. (Schedule C, par. 158.)

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WEEKS. I do.

Mr. SMOOT. The Senator has just referred to the fact that the present duty upon pens is 12 cents a gross, and the pending bill reduces it to 8 cents a gross, or a difference of 4 cents a gross. I wish to ask the Senator if he thinks the contemplated reduction of 4 cents a gross will ever be realized by the ultimate consumer who buys pens and pays about 5 cents a dozen for them?

Mr. WEEKS. Of course it will not.

Mr. SMOOT. All it means is that it simply gives the foreign manufacturer a better chance to take this market.

Mr. WEEKS. That is it, exactly.

German razors, as well as razors of other foreign makes, are used to shave Senators in the Senate barber shops. The duty on razors under the present law is: Valued at less than \$1 a dozen, 35 per cent ad valorem; valued at \$1 and less than \$1.50 a dozen, 6 cents each and 35 per cent ad valorem; valued at \$1.50 and less than \$2 a dozen, 10 cents each and 35 per cent ad valorem; valued at \$2 and less than \$3 a dozen, 12 cents each and 35 per cent ad valorem; valued at \$3 or more a dozen, 15 cents each and 35 per cent ad valorem. (Schedule C, par. 152.) Under the proposed law razors are placed at the same rate of duty as penknives, 35 per cent ad valorem on those valued at not more than \$1 a dozen and 55 per cent ad valorem on razors valued at more than \$1 a dozen. (Schedule C, par. 130.) As further evidence that the duty now imposed on razors has little influence on the price compared with the cost

of distribution I instance the case of a local manufacturer who has a contract to supply a distributing house a large order of razors at \$3 a dozen; the same razor retails at \$1.75 apiece.

Souvenir post cards with pictures of our public buildings on them made in Germany may be found on sale in the Capitol Building, and no other could be found for sale in Washington until the duty was increased on these cards in the Payne-Aldrich bill, which increase enormously developed the output of local factories without increasing the cost to the consumer; in fact, the price was lowered. It is worthy of note that a reduction has been made in the pending bill which may mean going back to the same conditions which existed before 1909.

Many of the mineral waters which are found in the cloakroom are imported from Europe, although there are great quantities of American bottled waters on the market. Among these the Apollinaris water is bottled in Germany, and it is interesting to note that the French vichy served in the cloakroom bears the colors of France and the label reads "Property of the French Republic."

Ginger ale is largely produced in this country, and yet imported ginger ale is sold in the restaurant, as well as a great variety of mineral waters. The duties on these mineral waters in the present law are in—

Pints, 20 cents a dozen bottles; quarts, 30 cents a dozen bottles. (See Schedule 8, par. 312.)

Under the proposed law the duty will be—

Half pint, 10 cents a dozen bottles; pints, 15 cents a dozen bottles; quarts, 20 cents a dozen bottles.

We are large producers of matches in this country, and yet if a Senator wishes to light a cigar in the cloakroom he finds a Vulcan safety match manufactured in Sweden. A very large number of dishes served in the Senate restaurant are prepared from imported articles, many of which are produced in the United States. And lists of this character could be extended almost without limit. If competition is desired and not destruction, why reduce duties in the cases I have instanced?

Do those who appeal for reduction of duties make their appeal because there is not domestic competition? This reason would be as fallacious as in the case of foreign competition, for there is ample local competition in the production of most of the articles affected by the pending bill.

A few instances will conclusively demonstrate this statement. There can be no denial of active domestic competition in every article produced on the farm on which the duty has been lowered and which has been put on the free list, but there may be some doubt of the correctness of my statement if applied to manufacturing concerns. It is, however, easily demonstrated. Take the cases of cotton, shoes, and wool as examples. There are in the United States 1,324 concerns manufacturing cotton, employing 378,880 people, and producing the larger percentage of these goods used in local consumption. Most of these manufacturers are stock companies and there is a public market for the shares, but there never has been any charge that there is a combination of any kind in this industry from the planting of the cotton to the marketing of the product; while it frequently happens that the same persons are active in the management of more than one mill. I can not find even in such cases that the mills with which the same men are connected make more than 5 per cent of the total product manufactured in this country and there has never been a suggestion that any attempt has been made to control or fix the price of cotton goods.

Take the case of shoes—this industry has been built up under conditions that have tended greatly to increase rather than diminish competition; there are 1,918 concerns engaged in this industry and I do not find a single instance where those interested in one of these are in any way interested in any other. Generally speaking they are private corporations or copartnerships and no single concern produces more than 4 per cent of the product of this country.

The same reasoning applies to the manufactures of wool; it is true that there has been complaint that the tariff favored those engaged in manufacturing worsteds at the expense of woolsens, and talk of the Woolen Trust has been so long repeated that many people really believe there is one yet; the most active and effective competition we have in the textile industry is in this one. It was prostrated after the Wilson bill was passed, has been only relatively prosperous at any time since, and is to-day being conducted at a loss, without any hope for the future if this bill becomes a law. The only basis for the charge that there is a trust connected with the industry is the size of the American Woolen Co., yet this company only operates about 12½ per cent of the looms and 14.4 per cent of the spindles engaged in the woolen and worsted industry, and the company manufactures both worsted and woolsens in the proportion of about 2 to 1.

The fact is there is intense competition in all of these industries; there is not a syllable of testimony to the contrary. Yet the product of one is greatly reduced, the reductions in another have already brought its earning capacity to a minus quantity, and our market in the case of the third has been thrown wide open to the world without any possibility of resulting benefit to the manufacturer or workmen engaged in it or even to the consuming public.

It has not been infrequently the case during the revision of the tariff that employers have stated to committees of the Senate and House, and to the public in other ways and even to their employees, that in case certain definite action were taken it would be necessary for them to either reduce wages or close down their mills.

The slightest investigation of results which might come from a tariff revision justifies such assertions, for it goes without saying that the management of a mill wishes to run its property and make it profitable, and operations will be continued even though there be no profit, and frequently when a small loss is incurred, because closing down means a disruption of organization, the losing of many good and skilled employees who go elsewhere for employment; and even without these reasons, the fixed charges incident to the business entail a very material loss.

I quote from a letter written me by Mr. Arthur Lyman, an old and well-known manufacturer of Massachusetts, under date of May 14, which relates to this subject. He says:

Business is already held up in anticipation of lower rates, and delay in passing the bill will simply aggravate this situation. Large orders given unreservedly months ago are held back by the buyers, who refuse to give details as to patterns or colors. This, of course, involves the stoppage of machinery. The stoppages of mills and the discharge of operatives have nothing to do in the way of threats. The real reason is the stoppage of orders and consequently the impossibility of making sales. No mill will stop as long as the goods can be sold at cost or even at a little less, because the continuing expenses of interest, taxes, depreciation, loss of skilled labor, etc., are exceedingly heavy items and much heavier here than they are abroad.

This statement, made by Mr. Lyman, who I understand is not an active Republican, undoubtedly states the case exactly as it is, and yet for the first time in the history of the Government we have an authoritative statement from the chairman of the Ways and Means Committee, and apparently from the Secretary of Commerce, that in case mills are closed down an investigation will be made as to the efficiency of the management of the property. During this session a majority of this body passed a measure which prohibited the expenditure of any part of a certain appropriation made to carry out the provisions of the Sherman Antitrust Act in the case of labor unions and farmers' organizations. In other words, the Government has said we will not prosecute labor organizations for violating the statute law, encouraging thereby labor unions to try to bring about the results which they desire; and now we have an authorized governmental official in high position declaring that if the managers of large properties protect their stockholders by doing the only thing possible in order to prevent losing money—that is, by closing down plants or reducing wages—that they will be investigated and something will be done; just what, nobody knows. It is evidently an attempt to intimidate the managers of American industries. Certainly the latter are now, under this administration, between the devil and the deep sea.

Let us see for a moment whether such a policy as is now contemplated by the Secretary of Commerce can be undertaken with the probability of results which will be beneficial to labor or to anyone else, and I will call the Secretary of Commerce himself as a witness to testify that this can not in all probability be done.

August 21, 1911, a resolution passed the House of Representatives providing for an investigation of the Taylor system, which is designed to bring about scientific management in manufacturing establishments, and which at that time was being introduced into Government arsenals at Watertown, Mass., and Rock Island, Ill. The committee appointed under this resolution to investigate this system was composed of three members—William B. Wilson, now Secretary of Labor; William C. Redfield, now the Secretary of Commerce and the mouthpiece for this propaganda; and John Q. Tilson, at that time a Republican Representative from Connecticut. They reported to the House March 9, 1912, the result of their investigation, and I find in that report this statement:

A great amount of good work has been done by Mr. Taylor and others in working out the details of scientific methods of shop management, but neither Mr. Taylor nor anyone else has presented to this committee a system so complete as to justify a recommendation that it be imposed in its entirety in any Government shop.

Any radical change in factory management should be gradual evolution out of that which has preceded. The present systems, or lack of systems, with their good and their bad points, are themselves the result of long evolution. No drastic or radical change in them should be

suddenly or even quickly imposed by fiat from above. Men have become accustomed alike to the good and the bad that are in the systems under which they work. They know and approve the good; they know how to combat the evil. They are naturally and properly suspicious that motives purely selfish may be behind the sudden change. Confidence is a plant of slow growth. Neither the Taylor system nor any other should be imposed from above on an unwilling working force. Any system of shop management ought to be the result of mutual conference and mutual consent, and that takes time.

And, again, the report says:

Conditions vary in different shops, and a system which would be effective in one might not be so effective in another. The work and responsibility of selecting, evolving, or introducing a system suitable to a particular shop must in a great measure depend upon the intelligence of the management.

This is undoubtedly a correct statement, for there is every reason to believe that it accorded with the results of the investigation made. Certainly it was not intended to be unfriendly to organized labor, for the Secretary of Labor, who was chairman of that committee, is a union-labor man, and neither of the other members of the committee had any prejudice against labor in making the report. If it is impossible in a Government shop to determine what is efficient management, and if it is necessary to, as this report says, prevent drastic or radical change in shops so that they should not be suddenly or even quickly imposed by fiat from above, how is it going to be possible to go into a private concern, even if the Government is authorized and justified in doing so, and determine whether that concern can be so run as to bring profitable results under the conditions imposed by this or any other tariff? The whole suggestion is of the bulldozing variety, intended to as far as possible coerce American manufacturers to continue running their plants without reduction of wages and without regard to net results obtained, hoping that some fortunate circumstance will occur which will prevent the utter collapse of business, which its framers know is likely to result from the passage of this bill.

If, however, Secretary Redfield has changed his mind since making the above-mentioned report, I suggest that he make a personal examination of the declared purpose of Gov. Foss to transfer his industry to Canada. That is a case where the Secretary can determine conditions at a glance, for he has been engaged in the same industry, and it is reported that he is rather familiar with conditions at the Foss shops. Of course, he can deal with this case without the fear of the charge of prejudice against the manufacturer, for Gov. Foss is an old friend and a political associate.

In the tariff plank of the Baltimore platform of last year this expression is used in speaking of protection:

It is a system of taxation which makes the rich richer and the poor poorer.

A declaration which has frequently been made by the Democratic Party in convention assembled and which has such a succulent sound that it is constantly repeated by Democratic orators in political campaigns, who at the same time urge in effect the claim that the Democracy is the great leveler and is striving to make the rich poorer and poor richer, without regard to methods or means or results.

The whole subject is too broad a one to attempt to discuss at this time, but it has some application to the action which has been taken in preparing this bill, and especially in applying to many industries in which the people of Massachusetts are engaged, the suggestion that stockholders are getting too large returns and employees too little. If this is not the reason for the radical reductions in such industries as cotton, woollens, worsteds, and shoes, why have they been selected for the drastic treatment given them? Massachusetts is a great manufacturing State; very largely its prosperity depends on the steady and remunerative employment of its capital and labor engaged in manufacturing industries. It leads all other States in the manufacturing of shoes, cotton, woolen and worsted goods, and assuming for the moment that the rich in the case of these three industries are the stockholders and the poor are the employees, it is fair to consider whether the radical cuts in the products of these industries have been justified on the ground that the stockholders, or those furnishing the capital, are getting richer or unreasonable returns for their capital, while those employed in the industries are getting poorer or less than reasonable remuneration for their services.

This is a question which can be pretty definitely demonstrated, because there are many communities in Massachusetts in which such a large percentage of the population is employed in one or two industries that directly or indirectly it may be assumed that their welfare is dependent upon them. I have spoken of Massachusetts as a great manufacturing State. There are employed in her manufacturing industries 497,549 people, which, with those dependent on them and associated with them in some way, compose a majority of the population of the State.

For many years Massachusetts has had on its statute books provision for the establishment and maintenance of mutual saving banks. These banks are not money-making concerns in any respect. After paying for the cost of operation all profits except a small surplus which is set aside each year go to depositors. They are privately managed and publicly supervised. Their investments are carefully regulated by the laws of the State and the losses as a result of their operations have been negligible. These banks are not operated for the benefit of the rich or even the well-to-do, but are operated for the benefit of those citizens who for manifest reasons have not had sufficient experience to safely invest their savings, and they are an encouragement to citizens to save their money. That they are not intended for other classes is indicated by a provision in the law which limits the amount of deposit which any one person may have in a bank to \$1,600, which includes accumulated interest; furthermore, the rate of interest which these banks have averaged to pay—slightly under 4 per cent for a term of years—is not sufficiently remunerative to warrant the average investor depositing his money in them even if it were possible for him to do so. As a matter of fact, if a well-known man who had business connections of such a character that it might be assumed he could safely invest his own money should attempt to deposit \$1,000 in any of the larger savings banks of the State he would be told to take his money and go his way; that the banks were not organized for his benefit, but for those who in all probability could not wisely and safely invest their own savings. Therefore the deposits in Massachusetts savings banks must indicate, in fact must be the most conclusive proof of, the financial condition of people in very moderate circumstances; if so, the increase in these deposits throughout the whole Commonwealth is a striking demonstration of their prosperity.

Massachusetts at the present time has about three and a quarter millions of people, not many more than one-fifteenth of the population of Great Britain or Germany or France, which are our great rivals in manufacturing industries, and yet the deposits in the Massachusetts savings banks are very nearly equal to the deposits in the savings banks of each of those great countries, and they have been increasing at leaps and bounds during the period of great prosperity which followed the passage of the Dingley tariff bill in 1897. The following is a statement of these deposits and the number of accounts outstanding for a term of years:

Number and amount of deposits in savings banks in the State.

	Open accounts.	Deposits.
1800.....		\$540,403,686
1805.....		662,808,312
1806.....	1,908,141	694,081,141
1807.....	1,971,644	706,940,596
1808.....	1,973,926	709,519,730
1809.....	2,040,894	743,101,481
1810.....	2,100,970	770,814,452
1811.....	2,137,534	802,220,707
1812.....	2,200,917	838,635,097

The latter shows that practically two-thirds of the people of Massachusetts, barring the possibility that a person has a deposit in more than one savings bank, have deposits in our mutual banks, which in itself indicates their popular character. I have said that these have been years of great prosperity, which is true, generally speaking, though there have been variations in this prosperity. This is particularly shown in the deposits of 1908, which are only \$2,500,000 greater than those of 1907, owing to the panic of that year.

In addition to these mutual savings banks, Massachusetts has a system of cooperative banks which provide funds for building operations, enabling a man in small circumstances to deposit in these banks and obtain through such deposits money for his building operations on the most advantageous terms. The last returns show that there were 162 such banks, and that the deposits were \$74,484,048, an increase of \$6,910,667 over the returns of the previous year. These banks are used by substantially the same class of people who use the mutual savings banks. They are also under the supervision of the State, and their losses in operation have been substantially nothing. In addition to this the Commonwealth charters trust companies, which do a trust business, but also a general banking business, so that they are, in effect, State banks. The deposits in the 65 trust companies of the State are \$283,200,553. These deposits are to a considerable extent those of trustees and others of a similar character.

While the trust companies can not be put in the same class as mutual savings banks, because they frequently hold the de-

posits of business men of large affairs and do a regular banking business, they are not so generally used for such a purpose as are national banks, and to some degree show the prosperity of other classes than the active business men of the State. These statements show that during recent years there has been prosperity among the citizens of Massachusetts in the employed classes where a large percentage are connected with those industries referred to and many others which will be affected by this legislation. The reductions made in the duties imposed in the pending bill must necessarily result in increased importations, and it would be of interest to be told how these workmen are to be benefited if we are to buy in other countries goods which they now produce.

It is impossible without a considerable amount of labor, which would not be justified, to give the total dividends paid by Massachusetts industries, because very many of the larger businesses, especially in the shoe industry, are either private corporations or copartnerships, and no statement of the dividend return or profits obtained is possible, although we do know that in the shoe industry the average profit on a pair of shoes is less than 7 cents a pair and that it has not varied materially from that figure during the period to which I am referring, though the present profits in shoemaking are undoubtedly less per pair than they were in the period between 1900 and 1910.

Therefore in order to demonstrate that the returns on capital have not increased in the same ratio or in fact increased at all during much of this period it is necessary to take individual communities which are largely dependent on a single industry. By so doing I think I can show that the returns of the rich—if the rich are called stockholders in manufacturing industries; and, by the way, there are tens of thousands of stockholders in our cotton and wool industries frequently having small holdings which represent the savings of the owner for many years or for a lifetime—have been diminishing while the prosperity of the workers themselves has been increasing; and in order to do this I will take as examples the city of New Bedford, where, generally speaking, high-grade cotton goods are manufactured; the city of Fall River, where, substantially speaking, a lower grade of cotton goods is manufactured; the city of Lawrence, where the manufactures are about equally divided between cotton and worsted goods; the city of Brockton, the largest shoe-manufacturing center of the United States; the city of Lynn, which is one of the great shoe centers and also the location of a part of the plant of the General Electric Co. I speak of these typical places, because the returns on capital invested, except in the case of Brockton, can be figured much more definitely than in other cases, and they illustrate as well as would others the argument which I am going to develop.

The two savings banks in New Bedford held at the end of the year, October 31, 1912, \$28,427,468.38, and the table which follows shows the increase each year for the past ten.

Deposits of the 2 savings banks in New Bedford, Mass., and the annual increase for the years 1903 to 1912, as of record of Oct. 31, each year enumerated.

	Total deposits.	Annual increase in deposits over previous year.
1903.....	\$22,872,940.57	
1904.....	23,212,115.36	\$339,174.79
1905.....	23,977,969.25	765,853.89
1906.....	25,052,499.20	1,074,529.95
1907.....	26,092,321.05	1,039,821.85
1908.....	26,565,101.23	472,780.23
1909.....	26,815,115.64	250,014.64
1910.....	27,287,737.13	472,621.49
1911.....	27,772,533.73	484,796.60
1912.....	28,427,468.38	654,934.65

In addition to the above, New Bedford has three national banks and a trust company, having a total deposit of \$14,747,000. The wages in the mills of New Bedford have been frequently increased, the last change being in the spring of 1912, when they were increased 10 per cent; but while the wages of the employees have been increased and the deposits in savings banks show that the employees are reasonably prosperous, dividends have not shown the same tendency.

The total capital of the mills of New Bedford amounts to \$37,126,300. The dividend paid in 1912 was \$1,647,000, or 4.4 per cent on the capital. The dividend paid in 1911 was \$2,020,475, or 5.5 per cent on the capital invested. The dividend paid in 1910 was \$3,057,000, or 9.59 per cent on the then outstanding capital. No mill during that period increased its dividend and about one-half of the mills decreased their dividends. In many cases the dividends of 1911 and 1912 were not earned, but were

paid out of the surplus which had been accumulated in the past, and it will be noted also that the capital stock of the New Bedford mills outstanding is only about one-half the replacement value of the mills, which, if figured at \$20 a spindle, would be \$60,000,000.

Mr. HITCHCOCK. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. Yes.

Mr. HITCHCOCK. I recall having heard that the stock of those mills was watered to a great extent, not the particular mills the Senator quotes, but the woolen and cotton mills of Massachusetts. Can the Senator state what the fact is, whether the capital that he referred to was genuine capital or whether it was watered?

Mr. WEEKS. I am coming to that in a moment. I will say that it is impossible to water the stock of any Massachusetts corporation under the Massachusetts laws. That statement applies to all Massachusetts corporations. I will come to that point later. The statement, however, has no basis whatever, I will say to the Senator from Nebraska.

Therefore the average dividends of the past three years, which on the outstanding capital were 6½ per cent, would have been on the replacement value exactly 4 per cent. Can it be said with these figures before us that the mill owners of New Bedford are growing richer or profiting unduly at the expense of the mill operatives who have, during this period of decreasing dividends, received an increase in their pay of 10 per cent and who are evidently making material savings, as is evidenced by bank deposits?

In the case of Fall River, substantially the same result is found. There are in Fall River 32 mills which paid an average dividend from 1900 to 1912 of 5.99 per cent.

The outstanding capital of the Fall River mills is \$30,710,000, an average of \$10.20 per spindle. The cost of building a new mill of the character of those located in that city at \$18 a spindle would mean a capitalization of \$55,000,000; therefore the dividends for the period referred to, instead of averaging 5.99 per cent per annum, would have averaged 3.4 per cent on the replacement value.

Deposits of the 4 savings banks in Fall River, Mass., and the annual increase for the years 1903 to 1912, as of record of Oct. 31, each year enumerated.

	Total deposits.	Annual increase in deposits over the previous year.
1903.....	\$18,989,449.94	
1904.....	18,728,393.04	¹ \$261,056.90
1905.....	19,148,997.36	420,604.32
1906.....	20,226,852.47	1,077,855.11
1907.....	21,397,906.21	1,171,053.74
1908.....	21,268,287.82	¹ 129,618.39
1909.....	22,086,238.37	817,950.55
1910.....	22,507,084.95	420,846.58
1911.....	22,958,636.47	451,551.52
1912.....	23,906,325.08	947,688.61

¹ Decrease.

Can it be possible that anyone would contend that with increased earnings and increased savings of the workmen and the decreased dividends, as is illustrated in the case of Fall River, the stockholders there are getting richer and the employees are getting poorer?

Brockton, as I have suggested, is the leading shoe manufacturing center of the United States. It is a comparatively new city, but there are situated at Brockton several of the largest shoe industries in Massachusetts, and, substantially speaking, the people of that community are engaged in or dependent upon this industry. The savings deposits in Brockton's banks do not show the deposits which would be expected in such a prosperous city, the reason being that many savings banks in communities around Brockton and contiguous to it are older than those in that city and many of the employees of the Brockton factories come from adjoining towns, so that the deposits in Brockton do not properly demonstrate the prosperity of its people.

There has been substantially no change in the volume of business at the Brockton factories during the past year, and as but one of the factories is capitalized it is impossible to state what the net earnings have been, but it is a fair statement that the net profits for a pair of shoes is no larger than heretofore, and on account of the increased cost of leather it is quite likely less; yet the savings deposits show an increase of 100 per cent in 10 years. I append a table showing this increase.

Deposits of the 3 savings banks in Brockton, Mass., and the annual increase for the years 1903 to 1912, as of record of Oct. 31, each year enumerated.

	Total deposits.	Annual increase in deposits over previous year.
1903.....	\$4,789,521.29	
1904.....	5,197,318.24	\$407,796.95
1905.....	5,755,849.28	558,531.04
1906.....	6,349,609.16	593,759.88
1907.....	6,580,281.97	230,672.81
1908.....	6,644,601.44	64,319.47
1909.....	7,210,126.26	565,524.82
1910.....	7,991,770.88	781,644.62
1911.....	8,709,169.48	777,398.60
1912.....	9,638,010.28	868,840.80

Similar conditions obtained in Lynn, where the savings banks show an increase of \$4,400,000 in 10 years, although the shoe factories do not indicate increased net earnings and the General Electric dividend has not been changed.

Deposits of the 3 savings banks in Lynn, Mass., and the annual increase for the years 1903 to 1912, as of record of Oct. 31, each year enumerated.

	Total deposits.	Annual increase in deposits for the previous year.
1903.....	\$10,080,753.35	
1904.....	10,522,014.26	\$441,260.90
1905.....	11,155,553.26	633,539.00
1906.....	11,842,986.23	727,432.97
1907.....	12,042,910.68	199,942.45
1908.....	11,911,347.73	¹ 131,562.95
1909.....	12,524,671.99	613,324.26
1910.....	13,166,803.76	642,131.77
1911.....	13,823,034.45	656,230.69
1912.....	14,490,834.39	667,799.94

¹ Decrease.

Senators will recall the labor troubles which disturbed business in Lawrence during 1912, affecting the earnings and dividends of Lawrence mills; yet the savings deposits increased in that city \$692,239.50 for the year and show a gain of 42 per cent in 10 years, while in no instance has there been an increase in mill dividends since 1907, while several corporations are now reducing.

Deposits of the 3 savings banks in Lawrence, Mass., and the annual increase for the years 1903 to 1912, as of record of Oct. 31, each year enumerated.

	Total deposits.	Annual increase in deposits over previous year.
1903.....	\$14,129,627.89	
1904.....	14,853,220.64	\$723,592.75
1905.....	16,057,307.13	1,204,086.49
1906.....	17,254,413.79	1,197,106.66
1907.....	17,898,460.04	644,046.25
1908.....	17,516,557.74	¹ 381,902.30
1909.....	18,464,364.02	947,806.28
1910.....	19,018,433.14	554,069.12
1911.....	19,494,732.18	476,299.04
1912.....	20,186,971.68	692,239.50

¹ Decrease.

ARE CORPORATIONS ENGAGED IN MANUFACTURING IN NEW ENGLAND OVER-CAPITALIZED?

I have already indicated in the case of New Bedford, Fall River, and Lawrence that they are not capitalized for more than about one-half of their replacement value. At this point I wish to insert the following list of New England manufacturing corporations recently prepared by a trade paper:

Mill	Capital.	Spindles.	Capital per spindle.	Replacement value.	Under-capitalization.
Androscoggin.....	\$1,000,000	69,798	\$14.62	\$1,395,960	\$395,960
Appleton Co.....	450,000	67,414	6.67	1,483,108	1,033,108
Atlantic Cotton.....	1,000,000	105,000	9.52	2,100,000	1,100,000
Bates Manufacturing Co.....	1,200,000	82,000	14.63	1,640,000	440,000
Boott Mills.....	1,000,000	158,136	6.32	3,162,720	2,162,720
Boston Duck.....	350,000	20,708	16.90	414,160	64,160

Mill.	Capital.	Spindles.	Capital per spindle.	Replacement value.	Under-capitalization.
Boston Manufacturing Co.	\$600,000	63,232	\$9.47	\$1,393,394	\$793,394
Cabot Manufacturing Co.	800,000	66,064	12.10	1,321,280	521,280
Chicopee Manufacturing Co.	600,000	99,384	6.64	1,807,680	1,247,680
Continental Mills.	1,500,000	100,000	15.00	2,000,000	500,000
Dwight Manufacturing Co.	1,200,000	220,000	5.45	4,400,000	3,200,000
Edwards Manufacturing Co.	1,100,000	103,000	10.68	2,000,000	900,000
Everett Mills.	1,400,000	110,000	12.73	2,200,000	800,000
Fisher Manufacturing Co.	500,000	50,000	10.00	1,000,000	500,000
Great Falls.	1,500,000	136,000	11.03	2,720,000	1,220,000
Hamilton Manufacturing Co.	1,800,000	118,260	15.23	2,365,200	565,200
Hill Manufacturing Co.	750,000	110,000	6.82	2,200,000	1,450,000
Jackson Co.	600,000	55,000	10.91	1,100,000	500,000
Lancaster Mills.	1,000,000	80,000	12.50	1,700,000	600,000
Lawrence Manufacturing Co.	1,250,000	111,000	11.16	2,000,000	750,000
Lyman Mills.	1,470,000	110,000	13.36	2,200,000	830,000
Massachusetts Mills.	1,800,000	128,000	14.06	2,560,000	760,000
Massachusetts Mills in Georgia.	2,000,000	100,000	20.00	2,000,000	0
Merrimack Manufacturing Co.	4,400,000	340,000	12.94	6,800,000	2,400,000
Nashua Manufacturing Co.	1,000,000	97,788	10.23	1,955,360	955,360
Naumkeag Mills.	1,500,000	101,000	14.85	2,020,000	720,000
Newmarket Manufacturing Co.	600,000	61,000	9.84	1,220,000	620,000
Pepperell Manufacturing Co.	2,556,000	250,000	10.04	5,000,000	2,444,000
Salmon Falls Manufacturing Co.	600,000	60,000	10.00	1,200,000	600,000
Stucox Mills.	850,000	102,054	8.32	2,041,080	1,191,080
Theridike Co.	675,000	82,972	8.14	1,794,400	974,400
Tremont & Suffolk.	2,000,000	230,000	8.70	4,600,000	2,600,000
York Manufacturing Co.	1,800,000	100,000	18.00	2,000,000	200,000
American Linen Co.	800,000	104,500	7.66	1,881,000	1,081,000
Ancona Co.	300,000	39,136	7.15	704,448	404,448
Arkwright Mills.	450,000	68,432	6.58	1,221,776	771,776
Barnard Manufacturing Co.	495,000	79,232	6.25	1,426,170	931,170
Bourne Mills.	1,000,000	91,258	10.95	1,642,644	642,644
Border City Manufacturing Co.	1,000,000	121,228	8.25	2,182,104	1,182,104
Chace Mills.	1,200,000	116,068	10.28	2,100,024	900,024
Cornell Mills.	400,000	45,040	9.90	810,720	410,720
Conanicut Mills.	300,000	29,412	10.20	529,416	229,416
Davis Mills.	1,250,000	127,030	9.85	2,540,000	1,290,000
Davol Mills.	500,000	44,672	11.19	804,096	304,096
Flint Mills.	1,160,000	101,000	11.47	1,818,000	658,000
Granite Mills.	1,000,000	118,894	8.41	2,149,092	1,149,092
Hargraves Mills.	800,000	111,690	7.16	2,010,420	1,210,420
King Philip Mills.	1,500,000	135,072	14.11	2,701,440	1,201,440
Luther Manufacturing Co.	350,000	51,616	6.78	829,088	479,088
Laurel Lake Mills.	600,000	59,808	10.03	1,076,544	476,544
Merchants Manufacturing Co.	1,200,000	134,336	9.00	2,418,048	1,218,048
Mechanics Mills.	750,000	56,432	13.27	1,015,776	265,776
Narragansett Mills.	400,000	45,744	9.12	791,292	391,292
Osborn Mills.	750,000	70,332	10.66	1,425,976	675,976
Parker Mills.	800,000	111,684	7.16	2,010,312	1,210,312
Pocasset Manufacturing Co.	1,200,000	120,016	10.00	2,160,228	960,228
Rich. Borden Manufacturing Co.	1,000,000	101,024	9.90	1,818,432	818,432
Sagamore Manufacturing Co.	1,200,000	141,728	8.47	2,551,104	1,351,104
Seacomet Mills.	600,000	68,384	8.74	1,230,932	630,932
Shove Mills.	550,000	73,552	7.48	1,323,936	773,936
Stafford Mills.	1,000,000	100,576	9.94	1,810,368	810,368
Stevens Manufacturing Co.	700,000	65,000	10.77	1,170,000	470,000
Tecumseh Mills.	750,000	78,960	9.50	1,421,280	671,280
Troy C. & W. Manufactory.	300,000	50,304	5.96	905,472	605,472
Union Cotton Manufacturing Co.	1,200,000	110,128	10.90	1,982,304	782,304
Wampanoag Mills.	750,000	87,096	8.42	1,567,728	817,728
Weatamoc Mills.	500,000	45,504	11.85	819,072	319,072
F. R. Iron Works.	2,000,000	468,000	4.28	8,424,000	6,424,000
Acushnet Mills.	500,000	105,336	4.76	2,106,720	1,606,720
Bristol Mills.	1,000,000	67,040	14.90	1,340,800	340,800
Butler Mills.	1,500,000	100,000	15.00	2,200,000	700,000
City Mills.	750,000	65,315	11.48	1,306,300	556,300
Dartmouth Mills.	1,800,000	200,000	11.11	4,000,000	2,200,000
Gosnold Mills.	1,650,000	82,232	20.00	1,809,104	149,104
Grinnell Mills.	1,000,000	128,000	7.84	2,816,000	1,816,000
Hathaway Mills.	800,000	108,328	7.39	2,353,216	1,553,216
Holmes Mills.	1,200,000	60,000	20.00	1,200,000	0
Kilburn Mills.	1,500,000	125,000	12.00	2,750,000	1,250,000
Manomet Mills.	2,000,000	127,000	15.75	2,540,000	540,000
Nashawena Mills.	2,500,000	125,000	20.00	2,750,000	250,000
N. B. Cotton Mills.	1,000,000	65,000	15.40	1,430,000	430,000
Nonquit Cotton Mills.	2,400,000	130,000	18.46	2,600,000	200,000
Page Mill.	1,000,000	63,000	15.87	1,386,000	386,000
Pierce Mill.	600,000	116,000	5.17	2,556,000	1,956,000
Potomaska Mill.	1,200,000	110,000	10.98	2,200,000	1,000,000
Soule Mill.	1,260,000	93,000	13.55	2,772,000	1,512,000
Taber Mill.	1,300,000	71,000	18.31	1,562,000	262,000
Wamsutta Mill.	3,000,000	229,000	13.11	4,580,000	1,580,000
Whitman Mill.	2,000,000	185,000	10.81	4,070,000	2,070,000
Amoskeag Mills.	5,760,000	*600,000	.....	13,500,000	7,740,000
Pacific Mills.	3,000,000	*300,000	.....	11,500,000	8,500,000
Arlington Mills.	8,000,000	*100,000	.....	10,000,000	2,000,000
Hamilton Woolen Co.	1,000,000	*63,000	.....	2,250,000	1,250,000
Total.	117,326,000	10,468,599	.....	222,970,630	105,644,630

¹ Has 24-machine printing plant.
² Large worsted plants in addition to cotton equipment.

This list does not include all cotton and worsted manufacturers in Massachusetts or in Maine or New Hampshire. It does, however, represent most of the leading industries, and they are typical of those which are not here enumerated.

In this list the total capital outstanding is \$117,326,000, while the replacement value would be \$222,970,000. The capital as above given does not include either surplus or profit and loss. The number of spindles is 10,469,599, or the outstanding capital represented is \$10.50 per spindle. Therefore, based on replace-

ment value these properties are capitalized at \$105,644,000 less than their value.

A few individual instances of representative mills will emphasize this contention. Take, for instance, the Amoskeag Manufacturing Co., of New Hampshire, which is one of the oldest and the largest cotton mills in the United States, having an outstanding capital of \$5,760,000 and operating 600,000 spindles, in addition to a considerable worsted plant. The dividends paid by this corporation annually have been as follows:

Year	Per cent.	Year	Per cent.	Year	Per cent.
1831	None.	1859	8	1887	10
1832	None.	1860	9	1888	10
1833	None.	1861	9	1889	10
1834	6	1862	10	1890	10
1835	15	1863	15	1891	10
1836	8	1864	9	1892	10
1837	4	1865	10	1893	7 ¹
1838	3	1866	22	1894	4
1839	9	1867	20	1895	7
1840	None.	1868	16	1896	7
1841	6	1869	17	1897	5
1842	4	1870	10	1898	6
1843	7	1871	13	1899	9
1844	0	1872	18	1900	25
1845	15	1873	14	1901	10
1846	35	1874	9	1902	10
1847	30	1875	9	1903	10
1848	3	1876	8	1904	35
1849	23	1877	10	1905	10
1850	6	1878	10	1906	10
1851	4	1879	10	1907	16
1852	7	1880	10	1908	16
1853	8	1881	11	1909	12
1854	8	1882	10	1910	12
1855	6	1883	13	1911	12
1856	4	1884	10	1912	12
1857	3	1885	10		
1858	3	1886	10		

The average rate paid during the life of the company has been almost exactly 10 per cent.

The replacement value of this company at \$20 a spindle instead of being the capital stock outstanding would be \$13,800,000. During the period from 1895 to 1912 the average dividend paid was 12½ per cent on the outstanding stock; this would be about 5 per cent on the replacement value of the plant and less than 7 per cent on the capital, profit and loss, and surplus.

Another representative mill is the Pacific Corporation, of Lawrence, Mass., which has paid dividends at the rate of 10 per cent from the organization of the company in 1853 until 1905, and has paid 12½ per cent since. This has been an especially well-managed concern. The capital outstanding is \$3,000,000. The replacement value, figuring replacement at \$20 per spindle, would be \$11,500,000, so that the dividends for the past 16 years, the years of its greatest prosperity, would average but 3.8 per cent on its replacement value, and would average 4.7 per cent on the capital and profit and loss account, which would be the probable liquidating value of the property if the mill went out of business and the real estate and machinery were thrown away.

One of the best-managed mills of this character is the Great Falls Manufacturing Co., of Somersworth, N. H., which is another illustration of the same general statement. The average dividend paid by this corporation during the 13 years from 1899 to 1912 was 12 per cent; the capital stock outstanding is \$1,500,000, the replacement value \$2,272,000, so that the average dividend on the replacement value has been 6.66 per cent, and not far from 7.2 per cent on capital and profit and loss.

Mr. HITCHCOCK. Mr. President—
 The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. Yes.
 Mr. HITCHCOCK. Do I understand that the replacement value is greater than the outstanding capital stock?

Mr. WEEKS. In every instance.
 Mr. HITCHCOCK. Because the earnings of the company have been used to increase the plant?

Mr. WEEKS. There have been various reasons for that.
 Mr. HITCHCOCK. I infer that the plant could have been increased in no other way. So the dividends represent only a part of the profit that has been made during the period of years the Senator mentions?

Mr. WEEKS. Every mill corporation charges something to a renewal account every year. It is a part of the operating expenses of the plant. There is no well-managed corporation which does not charge about 5 per cent to a renewal account, or some other similar account, but invariably it is included in the operating expenses of the plant. No manufacturing corporation is conducted on any other basis.

Mr. HITCHCOCK. So the conclusion is that the earnings of the plant of the company during that period are represented

not only by the dividends that have been paid but the enormous increase in the value of the plant?

Mr. WEEKS. Mr. President, I think that the Senator from Nebraska puts the wrong construction on what I have said. No mill in this country or in England or in any other country is operated without making a charge off every year for renewal or replacement, and that charge off is included in the operating expenses. In that way the property is maintained at an efficient standard.

I will admit that probably in many of these cases—you would have to take each individual case and examine it by itself to make an accurate statement, but in many of these cases if there had been no charge off for renewals or no charge off for any other purpose, as is customary among manufacturers, it is quite likely the capital outstanding would be similar to the renewal cost.

All of the cases go to show that the frequently repeated and sometimes believed statement that New England mills are largely overcapitalized and that they are earning excessive dividends is absolutely without foundation; the reverse is really true. Workmen are getting a fair proportion of the earnings, and the bringing in of ten millions of additional cotton goods and forty-eight millions additional woolen goods is going to curtail our production to that extent. These industries are not in condition to warrant such a change, nor should the employees be deprived of the work involved.

How easy it is to use popular phrases in political resolutions, to make statements if they do not have to be proven, to constantly repeat clattertrap until people think it may be true and even those who indulge in it become convinced from repeated repetition, especially as it may not have been denied, that there must be something in it. That is the position in which we find the Democratic Party, the tariff, and the people. The former has constantly repeated statements relative to the tariff and its relations to certain elements in our life, and the latter, always wishing to improve their condition, and properly so, skeptical, no doubt, of the result of this experiment, have concluded to give the Democratic Party a chance to do what it has stated could be done if the tariff were reduced; that is, reduce the cost of living, strangle the trusts, make the rich poorer and the poor richer, and to develop competition, giving every man an equal chance with every other, and this Congress is trying to carry out these promises. I wish it were possible to do these things, but if there is any merit in what I have stated, the people will find that their net income is not increased, but will probably be decreased; that there will be rich and poor, dependent on the brains, industry, and thrift of the individual; that the large corporation is here to stay, under proper control, because it is in many cases the economical way in which to do business; that there is, as there always has been, a chance for every man which is dependent on himself and his own power of initiative; and that there never has been a greater demand for skillful, honest, industrious men than now. And I believe that the people will find that an attempt to change conditions in this way has injured all classes of citizens, who will at the first opportunity proceed to depose those who have been humbugging them and will restore to power the party which has, on the whole, managed the country's affairs with intelligence and honesty.

Mr. MARTINE of New Jersey. Before the Senator takes his seat, in view of the glorious picture that has been portrayed to us of the magnificent and prosperous condition of the cities of New England, I should like to know how he accounts for the lamentable condition of the people in Lawrence, Mass., when they engaged in a strike followed by cessation of work and great distress.

Mr. WEEKS. That lamentable condition of the people of Lawrence was largely without basis.

Mr. MARTINE of New Jersey. I submit that is not an argument.

I heard the Senator say a moment ago, when the Senator from Utah [Mr. SMOOT] made some reference to the cost of pens that that is all humbug. I submit that that may be very conclusive to the Senator, but it is not conclusive to the mill workers of Lawrence, Mass.

Mr. WEEKS. If the Senator from New Jersey had honored me with his attention—

Mr. MARTINE of New Jersey. I did very closely.

Mr. WEEKS. He would have heard me say that the deposits in the savings banks of Lawrence have increased \$6,000,000 in the last 10 years, and that they average more than \$300 for every man, woman, and child in the city; that they average as high as do the deposits in all the savings banks in the State of Massachusetts, which are the highest of any Commonwealth in the Union and the highest in any part of the world, and those

deposits, as he will recall, if he has followed me, are made by the same mill operatives to whom the Senator has referred.

Mr. MARTINE of New Jersey. I recall that at the same time the Senator said that the dividends have averaged 12 per cent, and this did not include betterments and additions to the mills.

Mr. WEEKS. I suspected that the Senator from New Jersey had not been following me carefully, because if he had he would have heard me say that the dividends of one mill had averaged 12 per cent for a term of years, but that on its replacement value those dividends would have been only 4 per cent. He would have heard me say if he were listening that the dividends of the mills in Lawrence in no instance have been increased since the year 1907, and in many instances they have been decreased, while the wages of the employees have been increased.

Mr. MARTINE of New Jersey. I suppose that that is owing and has been owing to the demand of the organization of labor.

Mr. WEEKS. A mill owner who has any judgment wishes to develop good employees and give them steady employment, and he is willing, if he has any judgment, to pay his employees what their services are worth. I assume that that is generally the case in Lawrence as it is elsewhere.

Mr. SIMMONS. I ask that the Secretary proceed with the reading of the bill.

The VICE PRESIDENT. Without objection—

Mr. SMOOT. Mr. President—

Mr. GALLINGER. Is the bill before the Senate?

The VICE PRESIDENT. The Chair was about to state that it is before the Senate when the Senator from Utah interrupted, the Chair did not know but for some other purpose.

Mr. SMOOT. I understand that the bill was before the Senate, and that the Senators from California and Massachusetts addressed themselves to it.

Mr. SIMMONS. I simply requested that the Secretary proceed with the reading of the bill.

Mr. SMOOT. I so understood.

Mr. President, just before the close of session yesterday we had under consideration paragraph 30, and particularly that portion of the paragraph known as the proviso, to which I offered an amendment increasing the 5 per cent of alcohol to 10 per cent.

During that debate I made a certain statement as to the amount of alcohol in acetate ether, claiming that it was about 10 per cent. The Senator from Oregon [Mr. LANE] questioned that statement first, as others did, and made this statement:

Mr. President, I should like to say, for the information of Senators who are not familiar with this subject, that it does not require a particle of alcohol to make acetic ether.

Subsequently he qualifies that statement by this statement—

Mr. WILLIAMS. Is the Senator from Utah referring to the remarks made by the Senator from Oregon [Mr. LANE]?

Mr. SMOOT. I am reading from the remarks made by the Senator from Oregon.

Mr. WILLIAMS. Well, that is what I thought. What the Senator from Oregon meant to say was that it did not require any alcohol added from the outside to what the fermentation had already produced.

Mr. SMOOT. Mr. President, I suppose the Senator from Oregon is here, and he can answer for himself. I desire now to continue my statement.

Mr. WILLIAMS. I want to call the attention of the Senator from Oregon to what has just been said. The Senator from Utah has stated that the Senator from Oregon had said that it required no alcohol at all.

Mr. SMOOT. Would it not be better for me to complete my statement?

The VICE PRESIDENT. Does the Senator from Utah refuse to yield to the Senator from Mississippi?

Mr. SMOOT. I was just asking, Would it not be better for me to complete my statement? Then the Senator from Mississippi can take it up with the Senator from Oregon.

Mr. WILLIAMS. Yes; just repeat it to the Senator from Oregon, and then I need not take it up at all. I was merely defending the Senator from Oregon in his absence and making the point that the amount of alcohol in the final resultant might have been produced within itself or artificially added later.

Mr. SMOOT. Mr. President, the Senator from Oregon was in the Chamber when I began to speak, and I supposed he heard every word that I uttered. The Senator from Oregon later made this statement:

Mr. President, if the Senator will allow me, here is the United States Dispensatory, an official document recognized by druggists and physicians all over the world, though not, perhaps, by those of the homeopathic persuasion. I think they recognize it as a fairly good

authority, however. It aims to give a true and just statement of the facts. It describes acetic ether as follows:
 "A liquid composed of about 98.5 per cent, by weight, of ethyl acetate and about 1.5 per cent of alcohol, containing a little water. It should be kept in well-stoppered bottles, in a cool and dark place, remote from lights or fire."

My statement was also questioned by the Senator from Missouri [Mr. STONE], he claiming that the expert of the majority members of the committee had stated that acetic acid did not contain more than 5 per cent of alcohol, and that he relied upon that statement. Afterwards the Senator from Mississippi delivered a statement as to his idea of the case.

Mr. President, in justice to Hon. Thomas J. Doherty, the author of the notes on tariff from which I quoted, in justice to the manufacturers who have written to me claiming that there was about 10 per cent of alcohol in this ether, and in justification of my position yesterday, I have secured from the Congressional Library the United States Dispensatory, but it is not the old issue that was read from by the Senator from Oregon. It is the latest issue. I want now to read from that issue to show that Mr. Doherty was correct, and then to further point to other evidence. On page 100 of that volume, under the head of "Acetic ether," this statement appears:

Acetic ether is a liquid composed of about 90 per cent by weight of ethyl acetate, and about 10 per cent of alcohol containing a little water.

I have here, Mr. President, Merck's 1907 Index. Merck & Co., I suppose, are the largest druggists in the world. I find in that index, on page 183, this in relation to acetic ether:

Acetic ether.—About 90 per cent by weight ethyl acetate, and about 10 per cent alcohol containing a little water.

They give, as their authority for this statement, the United States Pharmacopœia, which, I take it for granted, even the Senator from Oregon [Mr. LANE] will not dispute is good authority.

So, Mr. President, with this information before the Senate, I now again state that the amendment offered by the majority members of the Finance Committee of the Senate will not put acetic ether under paragraph 30, but that it will fall under paragraph 17.

Mr. LANE. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Oregon?

Mr. LANE. Will the Senator allow me a moment in further relation to this matter?

Mr. SMOOT. Certainly, Mr. President.

Mr. LANE. I thank the Senator very much.

Mr. President, when this matter came up yesterday I was informed by the expert who labors in behalf of the Democratic members of the Finance Committee in getting up these schedules that acetic ether contains on an average about from 2 to 4 per cent of alcohol. The Senator from Wisconsin [Mr. LA FOLLETTE] suggested that I send over to the Congressional Library and secure a copy of the United States Dispensatory, which is the work which is used by pharmacists and consulted by physicians all over America. It is not an official document otherwise in America, but it is recognized as good authority. The Senator from Utah is right about that.

The Library authorities sent me, by a small boy who went after it, the volume from which I read. I did not look at its date; I merely turned to the subject in question and read to the Senate just what the book states, which is exactly what I said yesterday. I will now read it again.

Mr. SMOOT. There is no dispute as to that, Mr. President.

Mr. LANE. The Senator, then, has read it?

Mr. SMOOT. I have already read it, and said that the volume from which the Senator from Oregon read was an older issue than the one from which I have been reading. I suppose the Senator does not deny the statement that I have made.

Mr. LANE. No; not a bit. I now wish to say this, further: I sent over to the Congressional Library again to-day and secured a copy of the American Pharmacopœia, which is the working formula which druggists usually use, and in a smaller and condensed edition, perhaps a bit more accurate than the other authority. The Library officials sent word back to me that they did not have it, and the messenger who brought me the word left this message on my desk: "Senator LANE. You had the latest one—the latest edition."

So, evidently, they were in error, and when they sent me this work I did not look at it. The formula has been changed, I am told, for these reasons: In the conversion of alcohol into acetic acid it requires one more atom of oxygen, and in so far as the process is completed it contains less alcohol. The more pure the ether the less alcohol there is in it. An incomplete distillation and fermentation leaves a larger proportion of alcohol.

The medical fraternity, or the gentlemen who have gotten out this work, have changed what is now the common method of making that particular article. It does contain at this time more alcohol. I repeat there has been a change; I acknowledge that.

I am told, however, that there are two varieties of this article upon the market, and that the strictly medical, high-grade acetic ether contains from 2 to 4 per cent of alcohol. I was sure that samples of the commercial article and that which is used in medicine would be submitted here for me to-day so that I might show it to you for your information.

In regard to Merck & Co., I will say that it is a large German manufacturing establishment, which does not manufacture its drugs in America.

Mr. SMOOT. It has an establishment in New York.

Mr. LANE. It has a branch house and an agency in this country. The error in regard to this matter arose as I have stated. There are two kinds of this article—one medicinal, the other commercial.

Mr. SMOOT. But it makes no difference whatever as to the rate of duty under this bill levied upon that article. I wish to now state that what I have just read, of course, conforms strictly to what I said yesterday.

Again, Mr. President, I suppose that, as stated by the Senator from Oregon, he got his information from this expert, just as the Senator from New Jersey [Mr. HUGHES] got his information by running to the back of the Senate Chamber and asking the expert about the price of this acetic ether, and then made his statement to the Senate, after securing the information from the expert.

I want to say to the Senate that I am informed that Mr. Herstein, the expert, was also the expert for the House committee, which sent this bill over to the Senate in the form in which it was referred to the Committee on Finance. If he knew all about that industry, why so many proposed changes by the Senate committee? Why was the change made in this item, if it were true that he had expert knowledge regarding it?

Mr. LANE. Will the Senator allow me to interrupt him?

Mr. SMOOT. If the Senator will wait until I get through with my statement, the Senator can then continue. The Senator from New Jersey [Mr. HUGHES] made this statement:

The Senator from Kansas [Mr. BRISTOW] asked the Senator from Utah the direct question whether, if this commodity fell under paragraph No. 17, it would be an increase of the rate, and the Senator from Utah, as I understood him, said that it would. The rate of duty under the present law is 250 per cent. The Senator from Utah can state in a moment what the rate will be under the proposed law, even if this article comes in under paragraph No. 17.

Mr. President, Merck & Co., as has already been stated, are one of the largest manufacturing chemists in the world. They quote at Darmstadt, Germany, the price of acetic ether as "3 marks 50 per kilo," which means 38 cents per pound, instead of 20, as the expert told the Senator from New Jersey yesterday.

Mr. HUGHES. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. SMOOT. Certainly.

Mr. HUGHES. I stated that price as the American price.

Mr. SMOOT. Does the Senator say that the American price is less than the price in Germany?

Mr. HUGHES. I say the American price is what I said it was yesterday. The price quoted somewhere else by some other firm has nothing to do with what I said. I quoted the American price yesterday.

Mr. SMOOT. Then, Mr. President, why put any duty here at all upon the article, if it is one-half cheaper in this country than it is in Germany?

I desire also in this connection to call the attention of the Senate to another fact. It is very strange, indeed, that when the Wilson bill, the last Democratic tariff bill, was passed they made this very item carry a dollar a pound.

Mr. LANE. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Oregon?

Mr. SMOOT. Yes; I yield for the Senator to make another statement furnished by the same expert.

Mr. LANE. It comes from—

Mr. SMOOT. I saw the expert hand it to the Senator, and I am perfectly willing to yield to have the Senator again put in the expert's opinion.

Mr. LANE. Very well.

Mr. GALLINGER. Mr. President, if the Senator will permit me, I hope that we will not bandy words about the experts. The majority have engaged an expert and the minority have engaged an expert, and I think we ought not to question the propriety of those gentlemen furnishing information to either side.

Mr. SMOOT. I am not questioning the propriety of that, Mr. President, but on yesterday the Senator from Missouri [Mr. STONE] and other Senators took me to task because I had stated here upon the floor of the Senate what that particular expert said.

Mr. STONE. I did not take the Senator to task for that.

Mr. SMOOT. I read the RECORD this morning, and I certainly thought so.

Mr. STONE. I took the Senator to task for this: I asked him who his expert was, and he declined to say.

Mr. SMOOT. Oh, no, Mr. President; I told the Senator that I would tell him.

Mr. STONE. Yes; but the Senator did not tell me.

Mr. SMOOT. I would have told the Senator, but the Senator from Mississippi [Mr. WILLIAMS] immediately rose and told the Senator.

Mr. STONE. And inasmuch as there had been given out here in the Senate the authority upon which the statements made by the committee were predicated, namely, the authority of Dr. Herstein, when the Senator from Utah undertook to oppose that statement with the authority of another expert, I thought the Senate had a right to know who the expert was, so that they might weigh the relative merit and value of the two statements.

Mr. SMOOT. Mr. President, I said, as the RECORD will show, that I was perfectly willing to state to the Senator who the expert was, but before I could do so the Senator from Mississippi took the floor and delivered a lecture on the rate of 250 per cent, which he claims the present law carries.

Mr. STONE. The Senator said to me in that colloquy in a somewhat petulant manner that I had no right to ask the name of his expert nor was he obliged to give it.

Mr. SMOOT. But I said that I would do so.

Mr. STONE. Yes; the Senator said he would, but he did not.

Mr. SMOOT. Well, Mr. President, I did not have the opportunity. I was perfectly willing to give it, and was going to pick up the document on my desk and read to the Senator what the Senator from Mississippi read.

Mr. President, I have nothing more to say on this particular point. I wanted these facts to appear in the RECORD to justify the statement that was made by Hon. Thomas J. Doherty in the document issued, entitled "Notes on the Tariff, 1913."

Mr. LANE. Mr. President, I should like to place an additional statement in the RECORD. There is clearly ground for difference of opinion here, inasmuch as the authorities differ. I am not trying to gain any advantage in an argument with the Senator. If it be shown that he is right, I am willing to admit it. I only want to clear the matter up and to have it settled by the best authority. I have no prejudice in regard to it.

I have here a catalogue of prices current, of July, 1913, from Powers-Weightman-Rosengarten Co., manufacturing chemists, of Philadelphia, one of the largest concerns in America. Here is a statement based on that catalogue, and Senators will see that it differs from all of the others:

The first and most important grade is acetic ether, 95 per cent; i. e., it is guaranteed to contain 95 per cent of acetic ether, the other 5 per cent being impurities, mainly alcohol. Commercially this is the most important quality as to use and quantity handled. It is used principally as a solvent for gums and for making pyroxylin varnishes, also in connection for making so-called dipping fluids for gas mantles. This grade of acetic ether is made of denatured alcohol. The price quoted in pound bottles, inclusive container, is 30 cents a pound, and considerably less in large quantities. This foreign is less than 20 cents per pound. This grade if imported would pay 20 per cent in duty, as stated in paragraph 30.

The next grade of acetic ether made is the so-called U. S. P., containing about 7 per cent of alcohol, traces of water, the balance being acetic ether. This ether is used for medicinal purposes to a comparatively small extent, and is made—

Now, note the difference—

from pure grain alcohol, upon which there is an internal-revenue tax of \$2.40 per gallon. This grade when imported would be subject to a tax of 10 cents per pound and 20 per cent ad valorem under the proposed bill, the tax of 10 cents being intended to compensate for the internal-revenue tax. The foreign price of this grade of acetic ether is about 25 cents per pound.

There is yet another grade of ether, the so-called absolute acetic ether, corresponding to the United States Pharmacopoeia of 1890, and containing only 1½ per cent of alcohol and 97½ per cent acetic ether. This quality is at present absolute.

Under the existing law all the three grades of ether would be subject to a minimum specific tax of 50 cents per pound under paragraph 21.

So you see there are many different kinds of ethers. The chemists change their formulas. The authority quoted by the Senator from Utah states that acetic ether contains about 10 per cent of alcohol, more or less, dependent upon the manner in which and the care with which it is distilled. It is a question that you can not solve closely.

The VICE PRESIDENT. The Secretary will proceed with the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 8, after line 13, to strike out:

31. Extracts and decoctions of logwood and of other dyewoods, and all extracts of vegetable origin suitable for dyeing, coloring, or staining, not specially provided for in this section; all the foregoing not containing alcohol, and not medicinal, three-eighths of 1 cent per pound.

And in lieu thereof to insert:

31. Extracts and decoctions of nutgalls, Persian berries, sumac, logwood, and other dyewoods, and all extracts of vegetable origin suitable for dyeing, coloring, or staining, not specially provided for in this section; all the foregoing not containing alcohol and not medicinal, three-eighths of 1 cent per pound.

Mr. BURTON. Mr. President, I move to amend the amendment by striking out all of line 19 and the first word, "berries," in line 20, including the words "Extracts and decoctions of nutgalls, Persian berries."

This motion is not based upon any particular political views, but as a matter of simplicity of administration. The quantity of these articles imported is comparatively insignificant, and the rate of duty is a very small one. As regards the first item, extracts and decoctions of nutgalls, the total amount imported in the year 1910 was three pounds, of the value of \$3, the average unit being \$1 per pound, and the duty collected 31 cents, an amount sufficient to awaken the attention of finance ministers and students of finance. It was somewhat larger in the following year—yes, considerably larger—but the expected amount of duty which would be collected under this item, as shown in the Tariff Handbook, is \$600, while on Persian berries the total amount would only be \$563. The proposed equivalent ad valorem duty on the first item would be 3.23 per cent, and 3.76 per cent on the second item. It seems to me, Mr. President, the trouble and cost of collection is altogether greater than the possible revenue would justify.

Mr. JOHNSON of Maine. Mr. President, the only reason for the change suggested by the committee is this: The House placed these articles on the free list along with tanning materials under the impression that they were used for tanning purposes. We were informed that they are not used for tanning purposes, but should be classed among the dyes. So we took them from the free list and put them in with the other dye materials at the same rate. We were told that extracts of Persian berries, sumac, and nutgalls are used in dyeing and not in tanning, and we treated them as the other dyes were treated by placing them in this paragraph.

Mr. BURTON. If the Senator from Maine will yield to me for a question, is not the first article mentioned in the paragraph used principally for tanning?

Mr. JOHNSON of Maine. No; we were not so informed.

Mr. BURTON. What are Persian berries?

Mr. JOHNSON of Maine. I am not informed as to that. I was merely informed that the extract of Persian berries was used only for dyeing and not for tanning, and the same is true of nutgalls.

Mr. BURTON. I think, Mr. President, the first article is used almost exclusively in tanning.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Ohio [Mr. BURTON] to the amendment reported by the committee.

Mr. GALLINGER. Let the amendment to the amendment be stated from the desk, Mr. President.

The SECRETARY. In the amendment reported by the committee it is proposed to strike out in paragraph 31, on page 8, line 19, the words "extracts and decoctions of nutgalls, Persian berries," so as to read:

31. Sumac, logwood, and other dyewoods, and all extracts of vegetable origin suitable for dyeing, coloring, or staining, not specially provided for in this section, all the foregoing not containing alcohol and not medicinal, three-eighths of 1 cent per pound.

Mr. JONES. I desire to ask the Senator if the effect of his amendment, if carried, would not be to put these articles on the free list?

Mr. BURTON. I take it the effect would be to place them on the dutiable list at 10 per cent under the basket clause, but, if my motion should prevail, when the free list is reached, I will make the proper motion, and I give notice of it now.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio to the amendment reported by the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment reported by the committee.

Mr. BRANDEGEE. Mr. President, I am opposed to the adoption of that amendment. At some other time I shall be prepared to go into the subject as exhaustively as may be demanded.

Mr. SIMMONS. We can not hear what the Senator is saying over here.

Mr. BRANDEGEE. If there is order in the Chamber, I think there will be no difficulty in Senators hearing what I have to say.

Mr. SIMMONS. I agree with the Senator about that.

Mr. BRANDEGEE. I have not had the time this afternoon, Mr. President, to prepare what I desire to say in regard to this proposed amendment. I shall be prepared, however, at any other time at the committee's convenience, but I want to make sure that I will have the right to recur to this amendment at any time. I remember, Mr. President, that in the consideration of the tariff bill in 1900—

Mr. SIMMONS. Mr. President, in the interest of time, if the Senator desires us to pass over this paragraph, in order to allow him time to prepare the matter to which he refers, that can be done.

Mr. BRANDEGEE. That is just what I was going to suggest. In the consideration of the Payne-Aldrich bill, when a Senator asked to have a paragraph passed over, action was taken accordingly.

Mr. SIMMONS. Yes.

Mr. BRANDEGEE. If there be no objection, I ask that this amendment be passed over.

The VICE PRESIDENT. Paragraph 31 will be passed over. The reading of the bill was resumed and continued to the end of paragraph 32, page 9, as follows:

32. Extract of chlorophyll, 15 per cent ad valorem; saffron and safflower, and extract of, and saffron cake, 10 per cent ad valorem; *Provided*, That no article containing alcohol shall be classified for duty under this paragraph.

Mr. SMOOT. Mr. President, I move to strike out all of line 25 on page 8, and line 1 on page 9 down to the words "ad valorem." I wish to say to the Senate that the reason for that is that saffron and safflower, and extract of, and saffron cake are now upon the free list under paragraph 663, and should be there under this bill, in my opinion.

On that amendment I ask for the yeas and nays.

Mr. BRISTOW. Will the Senator state the reason why these articles should be on the free list?

Mr. SMOOT. Practically none of them are produced in this country. While perhaps not very extensively used, they have been on the free list in many tariff acts, and I do not know why they should be dutiable. I think they ought to be where they are to-day, on the free list.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACKSON], and therefore withhold my vote.

Mr. COLT (when his name was called). I am paired with the junior Senator from Delaware [Mr. SAULSBURY], and therefore withhold my vote.

Mr. REED (when his name was called). I desire to know whether the senior Senator from Michigan [Mr. SMITH] is here? I will ask his colleague.

Mr. TOWNSEND. He is not here.

Mr. REED. I am paired with that Senator, and therefore withhold my vote.

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). The senior Senator from Michigan [Mr. SMITH] is absent from the city, but he has a general pair with the junior Senator from Missouri [Mr. REED]. This announcement may stand on all votes to-day.

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. He has not voted, and I do not see him in the Chamber, so I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROO]. I transfer that pair to the senior Senator from South Carolina [Mr. TILLMAN] and will vote. I vote "nay."

Mr. WARREN (when his name was called). I have a pair with the Senator from Florida [Mr. FLETCHER]. I transfer that pair so that the Senator from Florida may stand paired with the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the junior Senator from Louisiana [Mr. RANDELL] and will vote. I vote "nay."

The roll call was concluded.

Mr. BANKHEAD. I announce my pair with the junior Senator from West Virginia [Mr. GOFF], and withhold my vote. I make this announcement for the balance of the day.

Mr. JAMES (after having voted in the negative). I desire to inquire whether the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. He has not.

Mr. JAMES. I have a general pair with that Senator, and therefore withdraw my vote in the negative.

The result was announced—yeas 27, nays 40, as follows:

YEAS—27.

Bradley	Crawford	Lodge	Sherman
Brady	Cummins	McLean	Smoot
Brandeggee	Dillingham	Nelson	Sutherland
Bristow	Gallinger	Norris	Townsend
Burton	Gronna	Oliver	Warren
Catron	Jones	Page	Works
Clapp	Kenyon	Poindexter	

NAYS—40.

Ashurst	Johnston, Ala.	Owen	Smith, Ga.
Bacon	Kern	Pittman	Smith, Md.
Bryan	Lane	Pomerene	Smith, S. C.
Chamberlain	Lea	Robinson	Swanson
Clarke, Ark.	Lewis	Shafroth	Thomas
Gore	Martin, Va.	Sheppard	Thompson
Hitchcock	Martine, N. J.	Shields	Thornton
Hollis	Myers	Shively	Vardaman
Hughes	O'Gorman	Simmons	Walsh
Johnson, Me.	Overman	Smith, Ariz.	Williams

NOT VOTING—29.

Bankhead	Fall	Newlands	Stephenson
Borah	Fletcher	Penrose	Sterling
Burleigh	Goff	Perkins	Stone
Chilton	Jackson	Ransdell	Tillman
Clark, Wyo.	James	Reed	Weeks
Colt	La Follette	Root	
Culberson	Lippitt	Saulsbury	
du Pont	McCumber	Smith, Mich.	

So Mr. Smoot's amendment was rejected.

The reading of the bill was resumed and continued to the end of paragraph 33, page 9, as follows:

33. Formaldehyde solution containing not more than 40 per cent of formaldehyde, or formaline, 1 cent per pound.

Mr. SMOOT. Mr. President, in the present law formaldehyde comes under the basket clause, at 25 per cent ad valorem. The rate proposed in this paragraph is 1 cent per pound. The equivalent ad valorem is only 3.73 per cent, or less than 4 per cent. I should like to ask the Senator having the bill in charge upon what basis formaldehyde was reduced to less than 4 per cent?

Mr. JOHNSON of Maine. I was unable to hear what the Senator said. I heard his inquiry, but not the statement he made.

Mr. SMOOT. My statement was that under the present law formaldehyde enters this country at 25 per cent under the basket clause. It is specifically provided for in this bill at 1 cent per pound. The equivalent ad valorem of the 1 cent per pound on the basis of the importations of 1912 is 3.73 per cent, which is less than 4 per cent. I ask the Senator for what reason formaldehyde should bear a duty of only 3.73 per cent?

Mr. JOHNSON of Maine. I will say to the Senator that the Committee on Finance made no change in that paragraph. It came to us in that way from the House, and the committee made no special investigation of the paragraph.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I do.

Mr. GRONNA. There must be some mistake about this matter. I will say to the Senator that I do not know what the first cost of formaldehyde solution is, but I do know that it is retailed at 75 cents per gallon, 40 per cent pure. There is a great deal of formaldehyde used by the farmers of the entire country. They use it in treating wheat for smut. There are hundreds and hundreds of thousands of gallons used for that purpose alone. I believe 40 per cent is a large enough duty on this article.

Mr. SMOOT. I will say to the Senator that this duty is less than 4 per cent.

Mr. GRONNA. No, Mr. President; if I understand the English language, it reads:

Formaldehyde solution containing not more than 40 per cent of formaldehyde.

Mr. SMOOT. Forty per cent of formaldehyde; that is the percentage of formaldehyde in the solution. If it contains more than 40 per cent, it comes under another paragraph.

Mr. GRONNA. I did not read the paragraph, Mr. President. I understood it provided for a duty of 40 per cent.

Mr. SMOOT. Oh, no.

Mr. GRONNA. I see I am mistaken in regard to it. I will look up the matter.

Mr. SMOOT. The only reason I bring this question to the attention of the Senate is because with an equivalent ad valorem duty of only 3.73 per cent I am afraid the production in this country will absolutely cease; and then the consumer, the man who uses formaldehyde for the elimination of smut in his wheat, will pay more than he is paying to-day.

The Senator having the bill in charge has stated that the committee did not make an investigation of this matter. I ask him if, on behalf of the Democratic members of the Finance Committee, he will not make the duty at least 2 cents a pound, which will be not to exceed $7\frac{1}{2}$ per cent ad valorem, upon that item.

Mr. JOHNSON of Maine. Mr. President, upon reference to the notes I find the reason why the House placed this low rate of duty on formaldehyde. It is used as a disinfectant; and for that reason the low rate of duty given in the House bill was placed upon it.

Mr. SMOOT. That is lower than any other item in the whole schedule, and I can not see why it should be.

Mr. JOHNSON of Maine. I should not feel at liberty to agree to the proposal the Senator makes.

Mr. SMOOT. Then I move that, in section 33, page 9, line 4, the figure "1" be stricken out and "2" inserted. That will make an equivalent ad valorem duty upon formaldehyde solution of only about $7\frac{1}{2}$ per cent.

Mr. POMERENE. Mr. President, may I ask the Senator in whose behalf this increase is called for?

Mr. SMOOT. It is called for in behalf of the manufacturer in this country who makes so much of it. I believe it will require at least that amount to keep him alive here, with the importations that are coming in.

Mr. POMERENE. Who is the manufacturer?

Mr. SMOOT. There are a number of them in this country.

Mr. POMERENE. But who is the one to whom the Senator refers as asking for this increase?

Mr. SMOOT. I have not all my letters here, Mr. President, and I can not now say just exactly who the manufacturers are who are interested in the manufacture of this product. There are a number of them.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I do.

Mr. GRONNA. I said a moment ago that I should correct the statement I made as to the percentage of duty on formaldehyde solution. A gallon of formaldehyde weighs seven and a half pounds. It retails for from 75 to 85 cents a gallon. I take it that the wholesale price would be somewhere near 60 cents a gallon. On the basis of 60 cents, the duty would be 6 cents a gallon. I believe the duty is high enough. There is a great deal of formaldehyde used in the United States for various purposes. It is used in preserving milk and in connection with many other agricultural products. I, for one, shall vote against an increase in the rate of duty.

Mr. SIMMONS and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I do.

Mr. SIMMONS. I thought the Senator from Utah had finished. I will not interrupt him.

The VICE PRESIDENT. Then does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Certainly.

Mr. NORRIS. I should like to inquire, for information, about the cost of production of this article.

Mr. SMOOT. I can not state the local cost of production; but I do know that the department states that the formaldehyde that is imported that would come in under this paragraph costs about 25 cents per pound. That is what the record shows.

Mr. NORRIS. This particular paragraph applies to formaldehyde solution.

Mr. SMOOT. Yes.

Mr. NORRIS. Where in the bill, if anywhere, is formaldehyde?

Mr. SMOOT. Formaldehyde would take the nonenumerated article rate, as it is not specifically enumerated in the bill.

Mr. NORRIS. What would the rate be, then?

Mr. SMOOT. Under this bill, I think, it is 15 per cent or 10 per cent; I am not quite sure which.

Mr. NORRIS. If that be true, then, under this bill, according to the statement made by the Senator from North Dakota, formaldehyde solution would be cheaper than formaldehyde itself.

Mr. SMOOT. The Senator means that the rate on the solution would be less under the 1-cent duty than the rate on formaldehyde itself?

Mr. NORRIS. Yes.

Mr. SMOOT. That is true.

Mr. NORRIS. I mean formaldehyde would come in at a less rate of duty than formaldehyde solution.

Mr. SMOOT. No; the Senator is mistaken there.

Mr. NORRIS. All I know about it is what the Senator from North Dakota has said regarding the amount of formaldehyde by weight in a gallon.

Mr. SMOOT. Mr. President, as there was no change in the House bill, this paragraph can be referred to hereafter. I will look up the letters I have on it. If I feel that an amendment should be made, I will offer it later.

Mr. GRONNA. I should like to ask the Senator from Utah another question before he takes his seat.

Mr. SIMMONS. Does the Senator withdraw his amendment?

Mr. SMOOT. I stated that I withdrew my amendment. After looking up the information I have on this particular item as to cost, if I think an amendment ought to be offered I will offer it later.

Mr. GRONNA. I was just about to say to the Senator from Utah that it is hardly fair to the farmer to place his wheat on the free list and then place a heavy duty on such articles as this, which are necessary in treating his wheat in order to get pure seed.

Mr. SMOOT. I am absolutely in sympathy with the Senator. The only object I shall have in offering this amendment, if I do offer it, will be to have the duty sufficiently high so that our local people can take care of the manufacture of the article without being driven out of the industry.

Mr. GRONNA. I was just about to suggest that the Senator ask that this paragraph be passed by until the amendment which I introduced on yesterday, providing for a duty of 12 cents on wheat and a compensatory duty on the products of wheat, is adopted; because I take it the Senators on the other side will not do any such great injustice to a legitimate industry as this bill will do as it stands, and certainly agriculture must be considered a very legitimate industry.

Mr. WILLIAMS. Mr. President, I wish to read a few words from the treatise compiled by Thomas J. Doherty, Esq., special attorney, Customs Division, Department of Justice, compiler of Compilation of Customs Laws and Digests of Decisions Thereunder (Treasury Department, 1908), and of Notes on Tariff Revision (Committee on Ways and Means, 60th Cong., 1908), edited and revised by the Senator from Utah [Mr. SMOOT].

Mr. SMOOT. I should like to know where the last words are.

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. WILLIAMS. I do.

Mr. SMOOT. I simply wish to know where the last statement of the Senator appears on these Notes on Tariff Revision—"edited and revised by Mr. SMOOT."

Mr. WILLIAMS. I find upon the first page of this distinguished document by this legal expert on chemistry that it was presented to the Senate of the United States by Mr. SMOOT upon July 7, 1913, and ordered to be printed upon his motion.

Mr. SMOOT. That is correct.

Mr. WILLIAMS. I imagine from that that the Senator must have revised and edited it; or, if not, he must have neglected his duty. [Laughter.]

Quoting from this distinguished legal expert upon chemistry, I read:

Formaldehyde, which may be briefly described as an aqueous solution of formaldehyde gas from the oxidation of methyl alcohol, is most largely used as an antiseptic and disinfectant. It also has many uses in the arts.

I submit that from this infallible—almost papally infallible—authority that must go as the absolute truth. I know nothing about it personally, and I imagine the Senator from Utah does not. Formaldehyde is an aqueous solution of formaldehyde gas from the oxidation of methyl alcohol, and is most largely used as an antiseptic and disinfectant, and also has many uses in the arts.

I suggest that we can not make so valuable a product as that too cheap to the people. If it is an antiseptic whenever you cut your finger and is a disinfectant whenever you get into an unwholesome and insanitary atmosphere, and if it also has many uses in the arts—I do not know whether the fine arts or the industrial arts, and I do not care—I submit that before the Senator from Utah submits to the Senate any amendment reducing the duty any further he should remember the vast and immense

benefit of this product to the people of the United States, in the opinion of this distinguished legal expert on chemistry, and its important relation to the public welfare generally and, as my friend from Arizona [Mr. SMITH] says, to the public health.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 37, page 9, line 18, after the word "gum," to insert "not specially provided for in this section," so as to read:

37. Gums: Amber, and amberoid unmanufactured, or crude gum, not specially provided for in this section, \$1 per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. SMOOT. Mr. President, on page 9, after the word "Gums," I move to strike out all of line 17, all of line 18, and the first word in line 19, in the following words:

Amber, and amberoid unmanufactured, or crude gum, not specially provided for in this section, \$1 per pound.

The reason I offer that amendment is that those items to-day are upon the free list in paragraph 488.

Mr. LODGE. Why not include arabic?

Mr. SMOOT. I will include that in another motion. When we come to arabic, the next item, if advanced in any manner, of course it should be dutiable and should not go on the free list, but raw arabic should be on the free list. Therefore I take it simply down to the word "pound," in line 19, so as to take in amber and amberoid unmanufactured. They are to-day on the free list. Under this bill they are assessed at \$1 per pound. Amber, of course, is used in a great many ways. It always has been on the free list, I believe, and should be there now; and I offer that amendment.

Mr. JOHNSON of Maine. Mr. President, it is proposed by the committee to place amber, which is used for making pipe-stems, upon the dutiable list at the rate of \$1 a pound. Amber chips are upon the free list and they are left upon the free list. So these words were added, "not specially provided for in this section," amber chips being still left upon the free list.

Mr. SMOOT. I am perfectly aware that amber chips are on the free list.

Mr. JOHNSON of Maine. I wished to call the attention of the Senator to that fact.

Mr. SMOOT. I am aware of that fact. The Senator is perfectly correct when he states that amber chips are on the free list. But amber itself has been on the free list in the past. If the Senator will turn to the paragraph in which the rate of duty is provided on pipes he will find an extremely large cut, and there is not only the cut, but under the bill now it is proposed to put a duty on amber of \$1 a pound when it has always been on the free list.

I move that it be stricken out, and if that motion is carried I will, of course, then move that it be put upon the free list.

Mr. STONE. I should like to ask the Senator from Utah in what particular public interest does he ask that the tips of meerscham and other pipes may be put upon the free list?

Mr. SMOOT. Amber chips are now on the free list under this bill. I am not discussing the question of chips. I am discussing the question of amber.

Mr. STONE. Tips, I said.

Mr. SMOOT. Tips are not on the free list and were not there. I simply said that amber is placed at a duty of \$1 a pound.

Mr. STONE. I thought the Senator wished them on the free list.

Mr. SMOOT. I want amber, out of which the tips are made, to be placed on the free list, where it is to-day.

Mr. STONE. Why?

Mr. SMOOT. Because it has always been there. It is impossible to produce it in this country. You can not produce it here.

Mr. STONE. Smoking machinery is regarded somewhat as a luxury, and tobacco is. We tax tobacco very heavily and raise enormous revenue on it, and have done so for a long time, on the theory that it is a luxury or, at least, not a necessity. You import amber chips or amber in some form free in order that they may be made into pipestems or parts of pipestems. Why should not the Government of the United States receive some revenue from an importation of that kind brought in for that purpose?

Mr. SMOOT. Mr. President, as I said before—

Mr. STONE. I beg the Senator's pardon, but is it simply because in the long run of Republican tariff bills they have seen proper to favor this industry?

Mr. SMOOT. There is no industry in amber in this country.

Mr. STONE. They do make pipe tips or pipestems out of it.

Mr. SMOOT. But that is in another paragraph entirely. I call the Senator's attention to the fact that on the pipes and the pipe tips he speaks of the rate is reduced from the present rate, but not only that, you take the amber from which they are made that is now on the free list and you impose a duty of a dollar a pound on it. That is a double blow to the man who manufactures the tips and the pipes.

Mr. STONE. Are the tips and pipes manufactured in this country?

Mr. SMOOT. Oh, many of them.

Mr. STONE. I understood the Senator to say they were not manufactured here.

Mr. SMOOT. No; I said there was no industry in amber.

Mr. STONE. That is an industry in amber.

Mr. SMOOT. Amber is the raw material for the manufacture of them, and that is not produced in this country.

Mr. STONE. I take it, then, the Senator is simply following a precedent that has been laid down in some bills he has taken a part in the framing of, and that is the principal reason he has for opposing any change in this bill.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. I do.

Mr. BRISTOW. May I inquire if there is not some amber produced in the United States? Are there not some amber or amberoids produced in the State of New Jersey, and also are they not produced to some extent in Massachusetts? Is it not a new enterprise in the State of New Jersey? I have understood that it was.

Mr. HUGHES. If the Senator is asking me, I will say that if there is such an industry in my State I do not know of it.

Mr. BRISTOW. I have been so advised.

Mr. MARTINE of New Jersey. I think not, for if there had been I would have been besieged by a lot of tariff mongers wanting a tariff on it. But I have not had any application of the kind.

Mr. BRISTOW. I thought that that was probably the cause for taking it from the free list and transferring it to the protective list. I made the inquiry because an authority who was consulted some time ago upon this paragraph said that it was found in small quantities in Massachusetts and to some extent in New Jersey.

Mr. SMOOT. If it is, I do not know of it. I have always understood that it was not produced in this country.

Mr. HUGHES. I will say, if the Senator will permit me, that the reason for putting amber on the dutiable list is quite plain. If the Senator will consult the estimates, he will find it is estimated it will produce about \$35,000 of revenue. That is the sole and only reason I have ever heard assigned for taking this and various other items from the free list and putting them on the dutiable list. As the Senator says, they are absolute luxuries and a differential still remains between the raw amber and the finished article, which it is estimated is the highest revenue producer.

Mr. SMOOT. Will the Senator state what that differential is?

Mr. HUGHES. I can not do so without referring to the tables before me.

Mr. SMOOT. The Senator will admit that the rates on manufactured pipes and stems have been reduced.

Mr. HUGHES. Yes; and the taxes have been put—

Mr. SMOOT. On amber.

Mr. HUGHES. Exactly, as has been done in a hundred instances or more in the bill.

Mr. SMOOT. Of course, that is the policy followed out in many items.

Mr. HUGHES. It makes little or no difference as far as the manufacture of amber and pipes is concerned that the duty instead of being placed altogether upon the finished product is only partly put on the finished product and is partly put on the raw material. From the revenue standpoint it is infinitely better to put this tax upon the raw material, because then every dollar that the consumer pays as a result of the tax goes into the Treasury, none of the raw amber, as far as my information goes, being produced in this country.

Mr. SMOOT. I know of no amber that is produced here; but exactly what I objected to in the bill as a whole is that the Democratic majority are not satisfied with reducing the rate upon the manufactured article, but they have also added a duty upon the raw material from which the manufactured article is made, and particularly raw material that is not produced in this country.

Mr. SIMMONS. Mr. President, from every point of view this is a duty which carries out the Democratic theory of tariff

for revenue. In the first place it is admitted that it is a luxury. It is the material out of which not only pipestems are made, but it is the material out of which cigarette holders are made. From that standpoint, according to the Democratic theory, it is a proper subject of taxation. Again, it is a product admittedly not made in this country.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Kansas?

Mr. SIMMONS. Probably the Senator from Kansas does not admit that it is not made in this country, but I have heard no one besides that Senator intimate that it is made in this country, and I understood the Senator to say that he did not know whether it is made here or not.

Mr. BRISTOW. I think if the Senator will read up carefully his authority upon this paragraph he will find that this substance is found in New Jersey and Massachusetts, and that the greater part of it comes from Persia. I think if the Senator will review his tariff notes he will find that that is a fact.

Mr. SIMMONS. Then my statement that it is not produced in this country is true. Now, a product which is not only a luxury but which is not produced in this country fills all the requirements of a typical article for the imposition of a duty.

The Senator from Utah has several times referred to the fact that the duty imposed on amber by this bill is a dollar a pound, evidently for the purpose of creating the idea that it is a very high duty—

Mr. SMOOT. Not at all, Mr. President.

Mr. SIMMONS. Because a dollar a pound does sound a little high. But the Senator, in order to have been altogether fair to this side, should have stated that the value of this material ranges from \$8.80 to \$9.50, so that the ad valorem is only about 11 per cent, which is a very low ad valorem.

Mr. SMOOT. That is true, Mr. President. I had no intention whatever to intimate, nor did I intimate, what the equivalent is.

Mr. SIMMONS. That is what I was complaining about.

Mr. SMOOT. I simply said that this article—amber at least—is not produced in this country to any extent. It is imported and always has been imported into this country free. It is used in the manufacturing of pipestems and cigarette holders, as the Senator says, and under the bill they have provided a duty of \$1 a pound, and they they have also reduced the duty on the manufactured article.

Mr. LODGE. Mr. President, as I understand the theory of the Senator from North Carolina, this duty is put on amber, the substance out of which articles of luxury are made, in order to raise a revenue for the Government. But, Mr. President, the articles which have been enumerated here and which include also beads and ornaments have to be made in this country in order to get a revenue from amber, because if they are not made in this country amber will not be imported, for I think it is imported for no other purpose and used for no other purpose. Therefore if you destroy the industry amber will come in solely in the manufactured form. It will not come in as raw material unless it is used for other purposes than the manufacture of ornaments and the articles which I have suggested.

Now, if you are going to reduce the duty on manufactured articles and put a duty on the raw material, which never had it before—in the Wilson Act it was free—of course, then you are giving protection inverted, protection to the foreign manufacturer, who gets his amber free in the countries where it is produced.

Mr. JOHNSON of Maine. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Maine?

Mr. LODGE. Certainly; I yield.

Mr. JOHNSON of Maine. I should like to ask the Senator from Massachusetts if he has in mind the duty placed in the bill upon smokers' articles and pipestems?

Mr. LODGE. I did not understand they were on the free list. I have not examined it.

Mr. JOHNSON of Maine. Oh, no; there is a duty of 50 per cent on smokers' articles.

Mr. LODGE. I thought it was reduced.

Mr. SMOOT. It was.

Mr. LODGE. The duty of 50 per cent may be sufficient. I was not speaking in regard to this particular case especially, but to illustrate the general point. If you are putting a duty on a raw material, and if reducing or removing the duty on the manufactured article, you will not get the payment of any duty on the raw material, because it will not be imported.

Mr. WILLIAMS. But if the Senator from Massachusetts will pardon me, the duty on the finished article in this case is five times what it is upon the raw material.

Mr. LODGE. I am not saying it is not discriminating in favor of the finished article, but I speak of it as a general principle. In this case you may have sufficient margin on a 50 per cent duty; I do not know whether you have or not; I have never examined it. I should think it would be ample and that you could afford to put a duty on the raw material. I am speaking of the general principle.

There is another item in this same clause which, now that I am up, I may as well speak about. You put a higher duty on the starch from which dextrine is made than you put on the dextrine which is made from the starch.

Mr. JOHNSON of Maine. Mr. President, if the Senator will look at the amendment proposed—

Mr. LODGE. I have looked at the amendment proposed. The duty upon starch is 1 cent a pound.

Mr. JOHNSON of Maine. The duty upon dextrine is 1½ cents a pound.

Mr. LODGE. I beg the Senator's pardon, it is three-quarters of a cent a pound. I am speaking of the last part of the amendment, made from burnt starch or British gum.

Mr. JOHNSON of Maine. On potato starch the duty is a cent a pound; on dextrine, made from potato starch, it is a cent and a half a pound.

Mr. LODGE. Yes; but dextrine—

Mr. JOHNSON of Maine. On the other starch the duty is only three-quarters of a cent a pound.

Mr. LODGE. Dextrine made from burnt starch or British gum.

Mr. JOHNSON of Maine. Upon corn starch the duty is three-quarters of a cent a pound, and upon potato starch it is 1 cent a pound; and we provided that dextrine made from potato starch should bear a duty of 1½ cents, changing the rate of the House bill from three-quarters of a cent to one-half because of the duty upon potato starch.

Mr. LODGE. Now, I understand the duty on starch that has been made from potatoes is reduced from 1½ cents per pound to 1 cent per pound. Is that right?

Mr. JOHNSON of Maine. That is right.

Mr. LODGE. And on all other starch, including all separate preparations, from whatever substance produced, fit for use as starch, the duty is reduced from 1 cent a pound to one-half of 1 cent per pound. On potato starch—the Senator will correct me if I am wrong—his provision gives a quarter of a cent difference.

Mr. JOHNSON of Maine. One-half a cent, if the Senator please. It is 1 cent a pound upon potato starch.

Mr. LODGE. Starch is 1 cent under the bill?

Mr. JOHNSON of Maine. Potato starch.

Mr. LODGE. And dextrine—

Mr. WILLIAMS. One and one-half.

Mr. LODGE. Made from that starch is 1½ cents. In the other case I am speaking of, in the last clause, "dextrine, not otherwise provided for, burnt starch, or British gum, dextrine substitutes, and soluble or chemically treated starch," the duty is three-fourths of 1 cent per pound. On the other starch, from which I understand is made the articles I have just read, the duty is reduced half a cent a pound. Perhaps the Senator can tell me whether that is right.

Mr. BRISTOW. It is 1½ cents in the present law.

Mr. LODGE. If that is the case, the dextrine in the last clause "not otherwise provided for" at half a cent a pound has a benefit of only a quarter of a cent; that is, I think, the raw material is left too high if you are going to cut the manufactured product.

Mr. SIMMONS. What paragraph is the Senator speaking about?

Mr. LODGE. I am reading from the Senate committee amendment, "dextrine, not otherwise provided for, burnt starch or British gum," in paragraph 37. It is a part of the paragraph now before the Senate. In the House bill dextrine and burnt starch or British gum were classified together. The Senate amendment makes a division between them. It gives dextrine what I think is a proper increase, and distinguishes between the dextrine made from potato starch and the dextrine not otherwise provided for, which, I understand, is made from another form of starch. I shall have to turn to another paragraph to find potato starch.

The duty on potato starch is in the agricultural schedule, and I want to call attention to that. On starch made from potatoes the duty is 1 cent per pound. On dextrine the Senate

committee has changed the rates, and properly changed them, in my opinion. The dextrine I was speaking about is dextrine made from other kinds of starch. In paragraph 239 it is provided:

All other starch, including all preparations, from whatever substance produced, fit for use as starch, one-half cent per pound.

That is what the second clause of paragraph 37 refers to.

Mr. SHIVELY. Is not the duty on dextrine, not otherwise provided for, three-fourths of a cent a pound?

Mr. LODGE. Yes; it increases it a quarter of a cent.

Mr. WILLIAMS. The differential is a quarter of a cent, and that is plenty.

Mr. JOHNSON of Maine. I call the Senator's attention to the fact that there is the same relative increase in both of 50 per cent. It is 1 per cent on potato starch, and on dextrine made from potato starch a cent and a half, a 50 per cent increase. On dextrine made from the other kind of starch the rate is three-fourths of a cent a pound, and on starch it is one-half cent a pound.

Mr. LODGE. I understand it.

Mr. JOHNSON of Maine. And there is an increase of 50 per cent, or the same relative increase in each case.

Mr. LODGE. I was going to say, Mr. President, that I understand under the present law this proposed classification is not made; that is, dextrine is one thing, whether made from potato starch or made from other kinds of starch. In the first provision about dextrine—I will have to insist on the difference, because my whole point rests on the second part—the rates of the present law have been restored, and I am very glad of it. I think the article needs that discrimination. It is a large industry in New England, and I am very glad that the old rates have been put back, but under the old law the term "dextrine" covered everything of this character, whether made from one kind of starch or another, and in the new classification you give the manufacturers of the article, as I understand it—it is rather confused, I admit—an advantage of three-fourths of a cent.

Mr. JOHNSON of Maine. Half a cent.

Mr. LODGE. Half a cent. In the other kind of dextrine you give the advantage of only a quarter of a cent.

Mr. JOHNSON of Maine. But the percentage of increase is the same, as the Senator from Massachusetts will observe.

Mr. LODGE. Why should there be a distinction between dextrine made from potato starch and dextrine made from the other starches? I am asking for information. The Senator from Maine understands the starch and potato question much better than I do.

Mr. JOHNSON of Maine. Because the duty upon potato starch is 1 cent a pound, and the duty upon the other kind of starch is one-half a cent a pound. The dextrine made from the potato starch should bear a higher rate of duty, it seemed to the committee, because of the fact that the raw material bore a higher rate of duty.

Mr. LODGE. Well, the other House followed the old law in respect to classification; they treated all dextrines alike, as equally expensive in production, I suppose, and gave them only three-fourths of a cent a pound. Now, a new classification has been agreed upon, by which the dextrine made from potato starch is taken out and given the same advantage, the same compensation as in the present law, whereas the other dextrine, included both in the old law and in the House bill as entitled to precisely the same duty, is given only a quarter of a cent advantage.

Mr. WILLIAMS. That is still a 50 per cent differential.

Mr. LODGE. I do not mean to delay further. I merely wished to call attention to the general principle laid down by the Senator from North Carolina about taxing the raw material. If the object is to get revenue, you ought to be very careful that you are not going to destroy the industry that imports the raw material. I do not know that in the case of amber it will have any effect. The duty on smokers' articles is a large one.

Mr. WILLIAMS. Does not the Senator from Massachusetts admit that a 50 per cent differential is sufficient in both cases?

Mr. JOHNSTON of Alabama. Mr. President, I want to ask the Senator a question.

Mr. LODGE. I yield first to the Senator from Mississippi.

Mr. WILLIAMS. Does not the Senator from Massachusetts admit that 50 per cent differential will cover the cost of conversion in both cases?

Mr. LODGE. That is not the view of those who make the article. I am not a manufacturer and can not say of my own knowledge.

Mr. WILLIAMS. I had charge of that one branch of the subject, but I heard no complaint from anybody that a 50 per cent ad valorem duty was not a sufficient tax to cover the conversion charge.

Mr. LODGE. The information I have—

Mr. WILLIAMS. And if the Senator from Massachusetts has any information upon this question from anybody who is impartial and not interested in drawing dollars out of the Treasury, I should like to hear it.

Mr. LODGE. The matter was called to my attention by large manufacturers of these articles.

Mr. JOHNSTON of Alabama. Now I will ask the Senator from Massachusetts, if he will yield to me for a moment?

Mr. LODGE. Certainly, I yield.

Mr. JOHNSTON of Alabama. I want to suggest to the Senator from Massachusetts that under paragraph 376 all manufactures of amber bear a duty of 20 per cent, and under the provisions here, according to the statement of the Senator from North Carolina, the amber itself has a duty of 11 per cent only; so that is nearly 100 per cent on the manufactures of it.

Mr. LODGE. I have not looked up the manufactures of amber. I did not know what the rates were, but now I find that the authorities on the other side of the Chamber disagree.

Mr. SMITH of Georgia. No.

Mr. LODGE. Wait a minute. It was stated by the Senator from North Carolina [Mr. SIMMONS] that the duty was 50 per cent on smokers' articles.

Mr. SMITH of Georgia. On pipes; that is right.

Mr. LODGE. Now, the Senator from Alabama [Mr. JOHNSTON] says that on all manufactures of amber the duty is 20 per cent.

Mr. SMITH of Georgia. On manufactures of amber other than pipes and pipestems.

Mr. LODGE. That is not the explanation made. The Senator did not read that.

Mr. JOHNSTON of Alabama. It is only amber chips that are on the free list. The duty on manufactures of amber is 20 per cent. Raw amber bears 11 per cent.

Mr. LODGE. In the case of amber—

Mr. OLIVER. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Pennsylvania?

Mr. LODGE. Certainly, I yield to the Senator from Pennsylvania.

Mr. OLIVER. I understood the Senator from New Jersey [Mr. HUGHES] to state that this duty was placed on amber for the purpose of producing a revenue of approximately \$35,000. Am I correct in that understanding?

Mr. HUGHES. Those are the figures I quoted.

Mr. OLIVER. I find that the principal use of amber is in the making of stems for tobacco pipes, and that the duty on pipes is reduced from 60 per cent to 50 per cent, and that the duty collected on pipes and smoking articles last year amounted to nearly \$800,000; that the committee is surrendering a revenue of from \$150,000 to \$160,000 for the purpose of placing a duty upon amber, from which they expect to gain only \$35,000. I am glad to see that our friends on the other side are returning to their old theory of a tariff for revenue only, instead of, as I had begun to suspect, passing a tariff bill for the protection of importers and foreign manufacturers.

Mr. WILLIAMS. If the Senator from Pennsylvania will take the duties—

Mr. LODGE. I think I have the floor, Mr. President.

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. LODGE. I yield to the Senator from Mississippi.

Mr. WILLIAMS. If the Senator from Pennsylvania will take the duty upon amber and take the price of amber, he will find that the duty is about 11 per cent. The distinguished legal authority to whom reference has been made puts it at 10.50 per cent and I put it at 11 per cent. I think perhaps the distinguished legal chemical and amber expert is mistaken, and that perhaps we are right, and perhaps the ad valorem equivalent is 11 per cent. If the duty upon the raw material is 11 per cent and the duty upon the finished article is 50 per cent—reduced from 60 in the old law—will the Senator from Pennsylvania contend that the difference between 11 per cent ad valorem and 50 per cent ad valorem is not sufficient to cover the conversion cost?

Mr. OLIVER. Mr. President, I said nothing at all about the conversion cost. What I was calling attention to was the fact that our friends on the other side are surrendering a

revenue of \$160,000 for the sake of getting another revenue of \$35,000. I was not arguing from—

Mr. WILLIAMS. We are not surrendering any revenue of any description, because, if we have accurately calculated the duty sufficient to cover the conversion cost, we have neither discriminated against the finished article nor the raw material, all of which is imported into this country.

Mr. OLIVER. I have said nothing about conversion cost or raw material; I was talking about revenue, and revenue alone.

Mr. WILLIAMS. I understand that, and I am replying to the Senator, and I am saying that we are surrendering no revenue at all. Whatever revenue we may surrender upon one article we get upon the other, because every dollar's worth of the stuff, whether finished or crude, is imported—not a dollar's worth of it is made here.

Mr. OLIVER. Then, Mr. President, I should like the Senator to explain—

Mr. WILLIAMS. Mr. President, the Senator's contention is that there will be less of the finished product imported and more of the crude article imported.

Mr. OLIVER. Not at all. I contend that there will be less revenue collected under this bill than there is under the present law.

Mr. WILLIAMS. But if that is the effect at all, under the Senator's argument it will be because there will be less of the finished and more of the crude article imported.

Mr. OLIVER. Not at all. I am not talking on that line at all.

Mr. WILLIAMS. Then, how does the Senator explain his assertions?

Mr. OLIVER. I should like the Senator from Mississippi to explain where he is going to get the \$125,000 that appears to be lost in this calculation—the difference between \$160,000 and \$35,000.

Mr. WILLIAMS. We put a duty on the raw amber, which will not prohibit its importation and we put a duty on the finished product which will not prohibit its conversion in America. If we have increased the duty on the raw material so much as to obtain an undue revenue from that in comparison with the finished product, we still preserve the revenue.

Mr. OLIVER. Mr. President, I have not yet found out from what the Senator has said from what he is going to supply that other \$125,000 of revenue.

Mr. WILLIAMS. What \$125,000?

Mr. OLIVER. There were in 1912 \$788,000 of revenue collected from pipes and smokers' articles.

Mr. WILLIAMS. I understand that.

Mr. OLIVER. While under the pending bill it is estimated that we will collect about \$160,000 less.

Mr. WILLIAMS. Yes.

Mr. OLIVER. You try to make that up by levying a duty, which will bring a revenue of \$35,000, on amber, but where is the other \$125,000 of revenue coming from?

Mr. WILLIAMS. The Senator is complaining that we have transferred a part of the duty from the finished product to the raw material, which has all got to be imported at a duty of a dollar a pound.

Mr. LODGE. Mr. President, it seems to me that if you reduce the duty on the unfinished article and import the same amount of the finished article as you did last year, you lose that amount of duty. Is that not correct?

Mr. WILLIAMS. I did not catch the Senator's question.

Mr. LODGE. I say, if you reduce the duty 10 per cent on the finished article—smokers' articles, if that is the classification—and import the same amount as you did last year, you of course would lose a certain amount of revenue.

Mr. WILLIAMS. You would lose 10 per cent.

Mr. LODGE. Precisely.

Mr. WILLIAMS. And if you increase the duty upon the raw material—

Mr. LODGE. Wait a moment.

Mr. WILLIAMS. As the raw material is not produced in this country, you increase the revenue derived from the raw material.

Mr. LODGE. Precisely; but you do not increase it equally with what you lose, for, as the Senator from Pennsylvania has pointed out, you will lose \$160,000 by your reduction of 10 per cent—

Mr. HUGHES. Mr. President—

Mr. LODGE. And you add a duty on the raw material, which you estimate will give you \$35,000—

Mr. WILLIAMS. How much?

Mr. LODGE. My authority is the Senator from New Jersey [Mr. HUGHES]. He said \$35,000.

Mr. WILLIAMS. I do not know about what somebody else has estimated. I have very little confidence in these experts and their estimates, but I do know that if you raise the duty at all upon amber—and every bit of the amber that is used in this country is imported—not a dollar's worth less of it will be used, because it is purely a luxury.

Mr. LODGE. I understand that.

Mr. WILLIAMS. You will derive more revenue from the increased duty on amber than you will lose because of the decreased duty upon the finished product.

Mr. LODGE. If the Senator will allow me, assuming that we import as large an amount of smokers' articles as we did last year, with the duty reduced 10 per cent, as the Senator from Mississippi has just said, of course we will lose 10 per cent on the duty.

Mr. WILLIAMS. And that is \$16,000.

Mr. LODGE. \$160,000. I thought the Senator from Pennsylvania [Mr. OLIVER] said.

Mr. WILLIAMS. Oh, no. It would not be that much.

Mr. LODGE. Then, if the loss is only \$16,000, and you get \$35,000 from the duty on the raw material, you will get an increase of revenue.

Mr. WILLIAMS. Of course we shall.

Mr. LODGE. That is perfectly clear; but I understood the Senator from Pennsylvania to say that there would be a loss of \$125,000.

Mr. WILLIAMS. Oh, no; we would lose 10 per cent on \$160,000.

Mr. OLIVER. It is 20 per cent of \$788,000.

Mr. LODGE. That is what I understood.

Mr. WILLIAMS. If we lose 10 per cent—

Mr. LODGE. Very well; 10 per cent of \$788,000 is \$78,800.

Mr. WILLIAMS. If we lose 10 per cent because of the reduction of the duty on the finished product made out of raw material, none of which is produced in this country, but all of which must be imported, and if we increase the duty on the raw material just equal to the conversion-cost tax—that is, equal to the exigency—we can not possibly lose any revenue.

Mr. JOHNSTON of Alabama. Mr. President—

Mr. LODGE. Of course, Mr. President, you can not lose any revenue—

Mr. SWANSON. Mr. President—

Mr. LODGE. I think I still have the floor. Of course you can not lose any revenue if you replace the loss by a new duty on the raw material; but what is the assumption as to the amount of revenue that duty will provide? The Senator from New Jersey and the Tariff Handbook, which you have furnished us, estimate it at \$35,000. I now understand that the duty collected last year on smokers' articles was \$788,000.

Mr. HUGHES. Mr. President—

Mr. LODGE. Let me finish this statement—and 10 per cent of that is something over \$78,000.

Mr. JOHNSTON of Alabama. Mr. President—

The VICE PRESIDENT. The Chair must insist upon some little appearance of order being preserved in this discussion. Half a dozen Senators are on their feet now.

Mr. LODGE. The Chair was kind enough to recognize me as having the floor.

The VICE PRESIDENT. But there are five or six Senators now standing on the floor.

Mr. LODGE. I was attempting, in what I supposed was my own time, to come to an agreement with the Senator from Mississippi as to these figures. I am frank to confess that I am a very poor arithmetician myself, but I suppose 10 per cent of \$788,000 is \$78,800, or in that neighborhood.

Mr. WILLIAMS. Instead of \$160,000.

Mr. JOHNSTON of Alabama. Mr. President—

Mr. HUGHES. Mr. President—

The VICE PRESIDENT. The Chair must insist that Senators take their seats, and rise and address the Chair, in order that the Chair may know whom to recognize.

Mr. HUGHES. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. LODGE. I should like to continue for a moment, if I may. I should like to be told, first, what was the duty collected on smokers' articles.

Mr. SMITH of Georgia. \$788,000.

Mr. LODGE. \$788,000. That was at the 50 per cent rate?

Mr. SMITH of Georgia. Sixty per cent.

Mr. LODGE. The 60 per cent rate; yes. You have reduced it 10 per cent. If you import the same amount under this bill, you will lose \$78,800 of revenue.

Mr. WILLIAMS. I beg the Senator's pardon. While the reduction is 10 per cent, the reduction of the duty is only one-sixth. A reduction from 60 to 50 per cent is a reduction of only one-sixth.

Mr. LODGE. I see. How much does the Senator calculate it to be?

Mr. WILLIAMS. I have not calculated it, but I will do so.

Mr. HUGHES. Mr. President—

Mr. LODGE. I do not want to detain the Senate on a question of figures. I do not pretend to be strong on figures, and I was trying to learn from the Democratic authorities on the other side, who obviously are strong on figures, just what this amount was. It took me some time to find out how much was collected in the way of duty. But if I may come back to the main point, there is provided here a duty of 20 per cent on amber ornaments; 50 per cent is left on smokers' articles, and there is a duty of \$1 per pound put on amber. I do not know the expense of manufacture. I should suppose there was enough margin left on the smokers' articles. About the ornaments, I do not profess to know.

Mr. WILLIAMS. One-sixth of \$788,000, in round numbers, would be \$130,000.

Mr. LODGE. Mr. President, I have at last gotten an authoritative figure. There will be \$130,000 loss on the duties collected on smokers' articles. You estimate that you will get \$35,000 from raw amber. While I again say I am a poor arithmetician, it seems to me there is a loss of revenue there.

Mr. HUGHES. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. LODGE. I yield to the Senator from New Jersey, with pleasure.

Mr. HUGHES. I should not be so insistent if the Senator from Massachusetts did not continually quote the statement I made. There is absolutely no relation, or at least not the relation that the Senator insists upon calling attention to, between the duty upon raw amber and all smokers' articles. I simply wish to call the Senator's attention to the fact that this increased duty is gained from amber alone—

Mr. LODGE. Amber alone; certainly.

Mr. HUGHES. And this loss of revenue upon smokers' articles is because of reductions that the committee thought ought to be made on such articles as clay pipes and smokers' articles of that kind, which were carried at an enormous rate of duty. There is no relation between the loss of revenue on all smokers' articles and the duty on amber.

Mr. LODGE. Then the Senator has no idea what revenue is collected from smokers' articles which carry amber?

Mr. HUGHES. Oh, it is impossible to say, because we have not been given any figures on that.

Mr. LODGE. Then we come back to the generally satisfactory conclusion that we do not know anything about it. [Laughter.]

Mr. HUGHES. We know that we will get \$35,000 upon amber.

Mr. LODGE. We know that because that has been estimated by the experts.

Mr. SMITH of Georgia. But not by Mr. Doherty.

Mr. LODGE. The Senator from Mississippi has just been saying that he does not put any faith in experts. Now, the Senator from New Jersey says we will get \$35,000 because the expert estimates it.

Mr. WILLIAMS. If the Senator will pardon me, I will now give him some more calculations.

Mr. HUGHES. Of course, I did not say that, although it does not make any particular difference.

Mr. LODGE. I beg the Senator's pardon; I thought he said we were sure of \$35,000.

Mr. HUGHES. But not because the experts said so.

Mr. WILLIAMS. If the Senator will pardon me, the loss of one-sixth of the \$783,000 duty on importations I have already given. The value of amber and amberoid unmanufactured, or crude gum for 1912, was \$338,821; and that came in free. Now, it will come in at \$1 per pound. The quantity that came in was 35,663 pounds, so that we will gather from that amount a revenue of \$35,663.

Mr. LODGE. That seems to me a very reasonable estimate. If we import 35,663 pounds and this bill becomes law, we shall get \$35,663 from raw amber. [Laughter.]

But I did not mean to be drawn into this great amber discussion, Mr. President. I rose merely to make the point about dextrine, and I have made the point as I see it. This new classification, although very valuable for the dextrine made from potato starch, has been neglected in the case of the other

dextrine. I do not pretend to say why; I do not know, but it has been. I think it ought to have the same differentiation.

Mr. WILLIAMS. Will the Senator from Massachusetts pardon me for one more remark?

Mr. LODGE. Certainly.

Mr. WILLIAMS. I have run this out; and while I always hate to confess that I am wrong, as any other human being does—

Mr. LODGE. That is a very proper feeling.

Mr. WILLIAMS (continuing). There will be a decrease of revenue. There is no doubt about it; there will be a decrease of revenue.

Mr. LODGE. I am very glad, Mr. President, that with my inferior mathematical capacity I have succeeded in getting that statement.

I shall not detain the Senate longer on dextrine; but I shall ask simply that this letter from a large manufacturer in my State may be included as part of my remarks. It is a short letter, but I shall not ask to have it read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the letter will be printed as a part of the Senator's remarks.

The letter referred to is as follows:

MATTAPAN, MASS., May 14, 1913.

HON. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

DEAR SIR: The new tariff proposes to reduce the duty on dextrine, burnt starch, or British gum, dextrine substitutes, and soluble or chemically treated starch from 1½ cents to three-fourths of 1 cent per pound and reduce the duty on starch made from potatoes from 1½ cents per pound to 1 cent per pound; all other starch, including all preparations from whatever substance produced fit for use as starch, from 1 cent per pound to one-half of 1 cent per pound.

Nearly all the dextrine imported into this country is made from potato starch, and nearly all the starch imported is potato starch. Therefore the duty on dextrine, the finished product, will be less than on the raw material starch.

Starch is the raw material of our business and is converted into dextrine or gum by a roasting process, and there is an inevitable shrinkage from 12 to 22 per cent, so it takes considerably more than a pound of starch to make a pound of dextrine or gum. Therefore in order to have a logical tariff the duty on potato starch should be at least one-half cent per pound less than on dextrine and British gum.

You will readily see that under the proposed law there is an actual and very considerable discrimination against the domestic manufacturer, as the duty on the raw material is higher than on the manufactured article.

If the duty on potato starch, the raw material, is 1 cent per pound and the duty on potato dextrine, the finished product, is three-fourths of 1 cent per pound, it will strike at the industry from both sides and make it utterly impossible for the industry to live.

Yours, truly,

HORATIO N. GLOVER & SON.

Mr. LODGE. This letter merely makes the point in regard to dextrine. I do not propose to ask for any vote on the matter of dextrine, but I do want a vote on the duty on crude camphor, of which I spoke yesterday.

I said then all I can say in regard to the matter—that to put a duty on crude camphor is not only to cripple a large industry, the celluloid industry, but camphor is used in medicine; it is used as a preservative against moths; it is used in many ways by people of all classes. To put a duty upon it suddenly, when not a pound of it can ever be produced in this country, seems to me unwise. On that I shall, at the proper time, ask for the yeas and nays.

Mr. GRONNA. Mr. President, since the Senator from Mississippi has admitted that he was mistaken in his conclusions, I think the country is entitled to know what the loss of revenue would be. According to my figures, the loss would be \$96,333 plus.

Mr. SIMMONS. Mr. President, undoubtedly there would be a gain of revenue by reason of the duty upon amber. Undoubtedly there would be some loss of revenue as a result of reducing the duty on smokers' articles from 60 per cent to 50 per cent.

The Democratic theory is, first, a duty for revenue purposes. Secondly, the Democratic theory is to relieve the people of unnecessary taxation, whether it be of a revenue character or a protective character. Where an article is a proper subject of a revenue tax, we impose it; but where the Democratic Party finds that a tax imposed for revenue purposes is so high as to impose an unnecessary burden upon the people, it reduces it.

We found in the Republican tariff a duty of 60 per cent upon smokers' articles. We thought that was too high. We thought, although it was a revenue duty, that it imposed too much of a burden upon the consumer in this country, and we reduced it to 50 per cent. In imposing a duty of 1 cent a pound upon amber we followed out the Democratic theory of a tariff for revenue, and in reducing from 60 to 50 per cent the duty upon smokers' articles we followed out the other part of the Democratic

theory, that the consumers of the country should not be unnecessarily burdened, either for revenue purposes or for purposes of protection.

Mr. HOLLIS. Mr. President, referring to the letter that has been placed in the RECORD by the Senator from Massachusetts [Mr. LODGE], I desire to read the last paragraph. It says:

If the duty on potato starch, the raw material, is 1 cent per pound, and the duty on potato dextrine, the finished product, is three-fourths of 1 cent per pound, it will strike at the industry from both sides and make it utterly impossible for the industry to live.

Exactly that information was sent to me by a manufacturer in Massachusetts. I went to the subcommittee and got them to make the exact change that is suggested in this letter to the Senator from Massachusetts. The duty on dextrine made from potato starch was increased to 1½ cents per pound, instead of three-quarters of a cent per pound, as complained of in this letter. So the result is that the Massachusetts manufacturers of dextrine made from potato starch are taken care of exactly as they wished to be.

Mr. LODGE. Mr. President, evidently the Senator did not listen to what I said. The point I made was about the second mention of dextrine, made from other substances than potato starch.

Mr. HOLLIS. Then I should like to inquire of the Senator what is the object of putting this letter in the RECORD?

Mr. LODGE. To show the testimony on which I acted.

Mr. HOLLIS. But the committee has done just exactly what is suggested in the letter. The letter backs up the committee entirely.

Mr. LODGE. Does it? Just give it to me. [Reading:]

Therefore, in order to have a logical tariff, the duty on potato starch should be at least one-half cent per pound less than on dextrine and British gum.

Mr. HOLLIS. And in response to that letter, or a similar letter which I received, the committee raised the tariff on dextrine made from potato starch. That action was certainly well taken, and the whole matter is cleared up.

Mr. LODGE. They did; and the second point I made was my own. I thought the writer alluded to it; but the second point was my own, and I think it is a sound one. The writer of this letter is a maker of potato starch. I thought he alluded to the second point. However, I think I will let it stand, Mr. President, as it sustains the action of the committee and is good protectionist doctrine.

Mr. BRISTOW. Mr. President, in House Document 1503, Sixtieth Congress, second session, at page 642, I find the following in regard to amber:

Amber is a fossil resin, found chiefly in Prussia, either on the seashore, where it is thrown up by the Baltic, or underneath the surface. In this region mining for amber has been carried on for years. Shafts are sunk until a stratum is reached in which amber nodules are found. The largest mass yet discovered weighed 13 pounds. In the United States amber-like resins have been found in Massachusetts, New Jersey, and other places. Amber is used chiefly in the manufacture of mouthpieces for pipes and cigar and cigarette holders and in the preparation of a kind of varnish.

So much for amber. There is another thing here in which I am more interested than amber.

Mr. LODGE. If the Senator will allow me, I was not aware that amber had ever been found in Massachusetts or that it was an industry of any size or importance in this country. I never heard of it until this afternoon. But I am very glad, if that is the case, that we have been given a liberally protective duty on the production of amber.

Mr. BRISTOW. I want to call the attention of the Senator from Maine [Mr. JOHNSON] to the Senate amendment in paragraph 37, which increases the duty on dextrine made from potato starch or potato flour from 1 cent, as found in the House bill, to a cent and a half, which is the same duty that is carried in the existing law. That is, in the bill as it comes from the Senate committee the protective duty for the manufacturer of dextrine made from potato starch or potato flour is exactly the same as in the Payne-Aldrich bill.

If the manufacturers of dextrine in Maine or New Hampshire or Massachusetts or anywhere in New England are entitled to a protection of a cent and a half per pound, why are not the farmers that grow the potatoes from which this product is made entitled to the same protection in this bill that the present law gives them, namely, 25 cents per bushel?

Mr. JOHNSON of Maine. Mr. President, in answer to the question in regard to the action of the committee in raising the duty upon potato starch, it must be obvious to the Senator from Kansas that if potato starch bore a duty of 1 cent per pound, then the dextrine made from the potato starch ought to bear a duty of more than three-fourths of a cent per pound, as it came to us from the House, which would be less than the duty upon the starch from which it is made. We therefore placed a duty of a cent and a half a pound upon dextrine made

from potato starch, and the dextrine made from other kinds of starch has a duty of three-fourths of a cent per pound, which in that case is 50 per cent of the duty upon the starch itself. The duties are relatively the same in each case.

I do not know about the manufacture of dextrine anywhere in New England. I do not know of a single factory there. Certainly there is none in my State of Maine. There are some old starch factories that make potato starch, I believe, somewhere in northeastern Maine. But so far as the duty upon potato starch is concerned, we took it as it came to us from the House. The House Ways and Means Committee gave long hearings to the people interested in the matter, and determined upon those as the proper rates.

Mr. BRISTOW. Nevertheless it is a fact that potato starch and potato flour have a duty of a cent a pound.

Mr. JOHNSON of Maine. Yes.

Mr. BRISTOW. While dextrine made from potato flour or potato starch has a duty of a cent and a half a pound, the cent and a half a pound on dextrine is exactly the same as the duty in the present law, though the duty is taken off the potato—the raw material that the manufacturer uses in making these products.

Now, the complaint I have against this bill is that it is apparently constructed in behalf of the manufacturer, but the farmer who produces the raw material is not given consideration. The duties of the Payne-Aldrich law on dextrine are maintained, while the potato, which the farmers grow, is put upon the free list. I want to ask the Senator from Maine if he thinks that is fair to the farmers of Maine or Kansas or Minnesota or any other State?

Mr. JOHNSON of Maine. I think about all the potato-starch factories there are anywhere are up in Maine, but I will say to the Senator from Kansas that the farmers of Maine would treat with a good deal of humor what he is saying in regard to the use of potatoes, because the potatoes they carry to the starch mills are the small potatoes—the culls; the little potatoes for which there is no other market. It is never the good potatoes that are taken to the starch factories, but only the refuse or the small potatoes. Those are the potatoes that find a market there, and they are ground into starch.

Mr. BRISTOW. Does that justify giving the manufacturer the raw material free, relieving him from the payment of any duty, and still maintaining the same duty on this product that the present law carries?

Mr. JOHNSON of Maine. The manufacturer of starch there has practically always had the potatoes which he uses free, so far as any duty is concerned, because they are the small potatoes, as I have said, and the farmer is usually very glad to find any market for those at a very small price. I do not believe that the duty has made any difference in the price of those potatoes, and, I will say to the Senator from Kansas, neither do I believe it has added a cent in value to the potatoes which were marketable for the farmers of Maine. I believe they never have derived a cent's advantage from this spurious duty upon potatoes, which is put on only to try to make them believe that they have been the beneficiaries of a system in which I think they have not shared.

Mr. BRISTOW. Spurious, when applied to the farmers who grow the potatoes, but not spurious when applied to the manufacturers of starch from the potatoes. Now, I should like to inquire of the Senator from Maine—

Mr. JOHNSON of Maine. I have no particular interest in the matter; I have no reason to speak for the starch manufacturers or those who are interested in the manufacture, but I understand the conditions we had to meet, and under which we were to frame the tariff bill. Taking the conditions as we found them, the starch manufacturers are dependent somewhat, as we believe, upon the duties which had been established.

Mr. BRISTOW. The manufacturer seems to have been very well provided for.

Mr. GALLINGER. Will the Senator from Kansas yield to me?

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from New Hampshire?

Mr. BRISTOW. I do.

Mr. GALLINGER. This has been an interesting but somewhat tedious day. I will ask the Senator from North Carolina if he does not think we ought to adjourn? It is 6 o'clock.

Mr. SIMMONS. I was going to state that the Senator from Utah [Mr. SMOOT], who had necessarily to be absent from the Chamber, requested that this paragraph should go over until to-morrow. That being the case, as we can not act on it tonight, in compliance with his request, which I think is a reasonable and proper one, I am perfectly willing that we shall have an executive session, as I understand one is desired.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Friday, July 25, 1913, at 12 o'clock meridian.

NOMINATION.

Executive nomination received by the Senate July 24, 1913.

GOVERNOR OF HAWAII.

L. E. Pinkham, of Hawaii, to be governor of Hawaii, vice Walter F. Frear, term expired.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 24, 1913.

POSTMASTERS.

MISSISSIPPI.

Sidney J. Ferguson, Meridian.

NEVADA.

W. J. Bonner, Mason.
George Foley, Round Mountain.

OHIO.

C. A. Rush, Wickliffe.
Frank Wasmer, Oak Hill.

HOUSE OF REPRESENTATIVES.

THURSDAY, July 24, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who art the inspiration of every great thought and worthy endeavor, touch our hearts with the magic wand, and move us on toward those qualities of soul which shall survive the empire of decay and be young in glory when the stars have passed away, that we may thus work out our own salvation with fear and trembling, for it is God which worketh in us both to will and to do of His good pleasure. This we ask in the spirit of the Lord Christ. Amen.

APPROVAL OF THE JOURNAL.

The Journal of the proceedings of yesterday was read.

The SPEAKER. Without objection, the Journal will stand approved.

Mr. MANN. Mr. Speaker, I object.

Mr. UNDERWOOD. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The question is on the motion of the gentleman from Alabama, that the Journal be approved.

The question was taken.

Mr. MANN. Mr. Speaker, I demand a division. Pending that, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] Ninety Members present, not a quorum.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

Mr. MANN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 152, nays 58, answered "present" 7, not voting 212, as follows:

YEAS—152.

- | | | | |
|----------------|-----------------|----------------|-----------------|
| Abercrombie | Burke, Wis. | Driscoll | Hamlin |
| Alexander | Byrnes, S. C. | Evans | Hardwick |
| Ashbrook | Callaway | Fergusson | Hardy |
| Aswell | Candler, Miss. | FitzHenry | Harrison, Miss. |
| Baker | Caraway | Flood, Va. | Hay |
| Baltz | Casey | Floyd, Ark. | Hayden |
| Barkley | Church | Foster | Heffin |
| Bartlett | Claypool | Fowler | Helvering |
| Beakes | Clayton | Gard | Henry |
| Bell, Ga. | Cline | Garner | Holland |
| Bocher | Collier | Garrett, Tenn. | Houston |
| Borchers | Connelly, Kans. | Garrett, Tex. | Howard |
| Borland | Cox | George | Hughes, Ga. |
| Bowdle | Davenport | Gilmore | Hull |
| Brockson | Decker | Goodwin, Ark. | Igoe |
| Brown, W. Va. | Deitrick | Gorman | Jacoway |
| Buchanan, Ill. | Dickinson | Graham, Ill. | Johnson, Ky. |
| Buchanan, Tex. | Dies | Gray | Johnson, S. C. |
| Bulkley | Doolittle | Gregg | Jones |
| Burgess | Doughton | Gudger | Keating |

- | | | | |
|----------------|----------------|-----------------|---------------|
| Kennedy, Conn. | Maguire, Nebr. | Roddenbery | Taylor, Ala. |
| Kent | Maher | Rothermel | Taylor, Ark. |
| Kettner | Montague | Rucker | Taylor, Colo. |
| Kirkpatrick | Moon | Russell | Taylor, N. Y. |
| Konop | Morrison | Seldomridge | Ten Eyck |
| Korbly | Murray, Okla. | Sims | Thacher. |
| Lazaro | Neeley | Sisson | Underwood |
| Lee, Ga. | O'Hair | Smith, Md. | Vaughan |
| Leshar | Oldfield | Smith, Tex. | Walker |
| Lever | Page | Stedman | Walsh |
| Lieb | Phelan | Stephens, Nebr. | Watkins |
| Linthicum | Post | Stephens, Tex. | Watson |
| Lloyd | Prouty | Stone | Weaver |
| McAndrews | Quin | Stringer | Webb |
| McClellan | Ragsdale | Summers | Whaley |
| McDermott | Raker | Talcott, N. Y. | Wilson, Fla. |
| McGillcuddy | Reed | Tavener | Wingo |
| McKellar | Reilly, Conn. | | Young, Tex. |

NAYS—58.

- | | | | |
|----------------|-----------------|---------------|----------------|
| Anderson | Gardner | McKenzie | Sloan |
| Austin | Gillett | Mann | Smith, Idaho |
| Barton | Gordon | Mapes | Smith, Minn. |
| Bell, Cal. | Hullings | Mondell | Switzer |
| Bryan | Humphrey, Wash. | Morgan, Okla. | Temple |
| Burke, S. Dak. | Johnson, Utah | Moss, W. Va. | Thomas |
| Campbell | Johnson, Wash. | Norton | Thomson, Ill. |
| Cooper | Kelly, Pa. | Payne | Towner |
| Curry | Kennedy, Iowa | Platt | Treadway |
| Davis, Minn. | Kinkaid, Nebr. | Roberts, Nev. | Walters |
| Dillon | Knowland, J. R. | Rupley | Willis |
| Dyer | La Follette | Scott | Woods |
| Falconer | Lewis, Pa. | Sells | Young, N. Dak. |
| Fess | Lindbergh | Shreve | |
| French | McGuire, Okla. | Sinnott | |

ANSWERED "PRESENT"—7.

- | | | | |
|---------|-------|-----------------|--------|
| Adamson | Kahn | Rubey | Wallin |
| Crisp | McCoy | Smith, J. M. C. | |

NOT VOTING—212.

- | | | | |
|-----------------|-----------------|------------------|-----------------|
| Adair | Dooling | Hughes, W. Va. | Porter |
| Aiken | Doremus | Humphreys, Miss. | Pou |
| Ainey | Dunn | Kelster | Powers |
| Allen | Dupré | Kelley, Mich. | Rainey |
| Ansberry | Eagan | Kennedy, R. I. | Rauch |
| Anthony | Eagle | Key, Ohio | Rayburn |
| Avis | Edmonds | Kiess, Pa. | Reilly, Wis. |
| Bailey | Edwards | Kindel | Richardson |
| Barchfeld | Elder | Kinhead, N. J. | Riordan |
| Barnhart | Esch | Kitchin | Roberts, Mass. |
| Bartholdt | Estopinal | Kreider | Rogers |
| Bathrick | Fairchild | Lafferty | Rouse |
| Beall, Tex. | Falson | Langham | Sabath |
| Blackmon | Farr | Langley | Saunders |
| Bremner | Ferris | Lee, Pa. | Scully |
| Britten | Fields | L'Engle | Shackleford |
| Brodbeck | Finley | Lenroot | Sharp |
| Broussard | Fitzgerald | Levy | Sherley |
| Brown, N. Y. | Fordney | Lewis, Md. | Sherwood |
| Browne, Wis. | Francis | Lindquist | Slayden |
| Browning | Frear | Lobeck | Slomp |
| Bruckner | Gallagher | Logue | Small |
| Brumbaugh | Gerry | Loneragan | Smith, N. Y. |
| Burke, Pa. | Gittins | McLaughlin | Smith, Sani. W. |
| Burnett | Glass | Madden | Sparkman |
| Butler | Godwin, N. C. | Mahan | Stafford |
| Byrnes, Tenn. | Goeke | Manahan | Stanley |
| Calder | Goldfogle | Martin | Steenerson |
| Cantrill | Good | Merritt | Stephens, Cal. |
| Carew | Goulden | Metz | Stephens, Miss. |
| Carlin | Graham, Pa. | Miller | Stevens, Minn. |
| Carr | Green, Iowa | Mitchell | Stevens, N. H. |
| Carter | Greene, Mass. | Moore | Sutherland |
| Cary | Greene, Vt. | Morgan, La. | Taggart |
| Chandler, N. Y. | Griest | Morin | Talbot, Md. |
| Clark | Griffin | Moss, Ind. | Thompson, Okla. |
| Clark, Fla. | Guernsey | Mott | Townsend |
| Connolly, Iowa | Hamill | Murdock | Tribble |
| Conry | Hamilton, Mich. | Murray, Mass. | Tuttle |
| Copley | Hamilton, N. Y. | Nelson | Underhill |
| Covington | Hammond | Nolan, J. I. | Vare |
| Cramton | Harrison, N. Y. | O'Brien | Volstead |
| Crosser | Haugen | Oglesby | Whitacre |
| Cullop | Hawley | O'Leary | White |
| Curley | Hayes | O'Shaunessy | Wilder |
| Dale | Helgesen | Padgett | Williams |
| Danforth | Helm | Palmer | Wilson, N. Y. |
| Davis, W. Va. | Hensley | Parker | Winslow |
| Dent | Hill | Patten, N. Y. | Witherspoon |
| Dershem | Hinds | Patton, Pa. | Woodruff |
| Difenderfer | Hinebaugh | Pepper | |
| Dixon | Hobson | Peters | |
| Donohoe | Howell | Peterson | |
| Donovan | Hoxworth | Plumley | |

So the motion to adjourn was agreed to.

The Clerk announced the following pairs:

For the session:

Mr. METZ with Mr. WALLIN.

Mr. HOBSON with Mr. FAIRCHILD.

Mr. SCULLY with Mr. BROWNING.

Mr. SLAYDEN with Mr. BARTHOLOTT.

Mr. ADAMSON with Mr. STEVENS of Minnesota.

Mr. FIELDS with Mr. LANGLEY.

Mr. BARTLETT with Mr. BUTLER.

Until further notice:

Mr. AIKEN with Mr. BARCHFELD.

Mr. CARTER with Mr. CALDER.

Mr. CLARK of Florida with Mr. CARY.

Mr. COVINGTON with Mr. FREAR.

Mr. CULLOP with Mr. CHANDLER of New York.
 Mr. DAVIS of West Virginia with Mr. Good.
 Mr. DICKINSON with Mr. GREENE of Vermont.
 Mr. DIFENDERFER with Mr. HAYES.
 Mr. DONOHUE with Mr. HINEBAUGH.
 Mr. FRANCIS with Mr. KELLEY of Michigan.
 Mr. GALLAGHER with Mr. KIESS of Pennsylvania.
 Mr. CURLEY with Mr. KREIDER.
 Mr. GITTINS with Mr. LAFFERTY.
 Mr. GOLDFOGLE with Mr. LINDQUIST.
 Mr. GOEKE with Mr. McLAUGHLIN.
 Mr. GUDGER with Mr. MANAHAN.
 Mr. HAMILL with Mr. MARTIN.
 Mr. HAMMOND with Mr. MILLER.
 Mr. HELM with Mr. MORIN.
 Mr. HENSLEY with Mr. NELSON.
 Mr. HUMPHREYS of Mississippi with Mr. PARKER.
 Mr. JONES with Mr. J. I. NOLAN.
 Mr. KINKEAD of New Jersey with Mr. PORTER.
 Mr. LEVY with Mr. POWERS.
 Mr. PETERS with Mr. SUTHERLAND.
 Mr. SHACKLEFORD with Mr. STEENERSON.
 Mr. STEVENS of New Hampshire with Mr. STEPHENS of California.

Mr. UNDERHILL with Mr. TOWNER.
 Mr. WHITE with Mr. VARE.
 Mr. SPARKMAN with Mr. WILDER.
 Mr. WHITACRE with Mr. WOODRUFF.
 Mr. PATTEN of New York with Mr. MOTT.
 Mr. LEE of Pennsylvania with Mr. MADDEN.
 Mr. HARRISON of New York with Mr. LANGHAM.
 Mr. KITCHIN with Mr. FORDNEY.
 Mr. FERRIS with Mr. HAUGEN.
 Mr. EDWARDS with Mr. HAMILTON of New York.
 Mr. TALBOTT of Maryland with Mr. MERRITT.
 Mr. DRISCOLL with Mr. GUERNSEY.
 Mr. CONRY with Mr. DUNN.
 Mr. CANTRILL with Mr. DANFORTH.
 Mr. DALE with Mr. AVIS.
 Mr. PALMER with Mr. MOORE.
 Mr. GODWIN of North Carolina with Mr. MURDOCK.
 Mr. RICHARDSON with Mr. ESCH.
 Mr. O'SHAUNESSY with Mr. KENNEDY of Rhode Island.
 Mr. RUBEY with Mr. HAWLEY.
 Mr. DIXON with Mr. GRIEST.
 Mr. FINLEY with Mr. HUGHES of West Virginia.
 Mr. MURRAY of Massachusetts with Mr. GREENE of Massachusetts.

Mr. BARNHART with Mr. ANTHONY.
 Mr. BEALL of Texas with Mr. BURKE of Pennsylvania.
 Mr. BLACKMON with Mr. BROWNE of Wisconsin.
 Mr. CRISP with Mr. HINDS.
 Mr. RAINEY with Mr. PATTON of Pennsylvania.
 Mr. ADAIR with Mr. AINEY.
 Mr. FAISON with Mr. GRAHAM of Pennsylvania.
 Mr. BURNETT with Mr. COPLEY.
 Mr. DUPRÉ with Mr. HAMILTON of Michigan.
 Mr. DENT with Mr. KAHN.
 Mr. MITCHELL with Mr. WINSLOW.

Until August 6:
 Mr. ALLEN with Mr. J. M. C. SMITH (except banking and currency).

Until July 26:
 Mr. PADGETT with Mr. ROBERTS of Massachusetts.
 Mr. BYRNS of Tennessee with Mr. EDMONDS.
 Mr. CARLIN with Mr. BRITTON.
 Mr. SAUNDERS with Mr. SLEMP.
 Mr. BATHRICK with Mr. CRAMTON.
 Mr. FITZGERALD with Mr. VOLSTEAD.
 Mr. GLASS with Mr. KEISTER.
 Mr. GOEKE with Mr. FARR.
 Mr. ROUSE with Mr. GREEN of Iowa.
 Mr. SHERLEY with Mr. SAMUEL W. SMITH.
 Mr. RAUCH with Mr. HELGESEN.
 Mr. SMALL with Mr. PLUMLEY.

The result of the vote was announced as above recorded. Accordingly (at 12 o'clock and 34 minutes p. m.) the House adjourned until to-morrow, Friday, July 25, 1913, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the Interior in regard to additional clerical assistance in the Indian Office for the work of determining the heirs

of deceased Indian allottees (H. Doc. No. 163) was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. STOUT: A bill (H. R. 7095) for the purchase of a site and erection thereon of a public building at Lewistown, Mont.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7096) to provide for the surveying of the unsurveyed lands in the State of Montana; to the Committee on the Public Lands.

By Mr. EDMONDS: Joint resolution (H. J. Res. 110) proposing to amend the Constitution of the United States to authorize uniform laws on the subject of marriage and divorce, and to provide penalties for enforcement; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLARK of Missouri: A bill (H. R. 7097) granting a pension to Mary E. Hays; to the Committee on Invalid Pensions.

By Mr. FESS: A bill (H. R. 7098) granting a pension to Nancy Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7099) granting a pension to Sarah E. Hibben; to the Committee on Invalid Pensions.

By Mr. GARDNER: A bill (H. R. 7100) granting a pension to Sophronia Murray; to the Committee on Pensions.

Also, a bill (H. R. 7101) granting a pension to Frances M. Gooding; to the Committee on Pensions.

By Mr. KIRKPATRICK: A bill (H. R. 7102) granting an increase of pension to David N. Cochran; to the Committee on Invalid Pensions.

By Mr. MCGILLICUDDY: A bill (H. R. 7103) granting an increase of pension to Henry A. Capen; to the Committee on Invalid Pensions.

By Mr. STEPHENS of Nebraska: A bill (H. R. 7104) granting a pension to James D. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7105) granting an increase of pension to Charles N. Barrow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7106) granting an increase of pension to Wheaton Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7107) granting an increase of pension to Isaac Chamberlain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7108) granting an increase of pension to Edgar V. Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7109) granting an increase of pension to Thomas E. Langdon; to the Committee on Pensions.

Also, a bill (H. R. 7110) granting an increase of pension to Hans H. Moeller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7111) granting an increase of pension to Frederick Pfunder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7112) granting an increase of pension to George B. Priestly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7113) granting an increase of pension to Frederick Reahm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7114) granting an increase of pension to Joseph H. Barker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7115) granting an increase of pension to Nathan Addington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7116) for the relief of Jennie S. Sherman; to the Committee on Claims.

By Mr. TUTTLE: A bill (H. R. 7117) granting a pension to Laura M. Clayton; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Interstate Cotton Seed Crushers' Association, Chicago, Ill., protesting against the duty placed upon cottonseed oil by Austria-Hungary; to the Committee on Ways and Means.

Also (by request), petition of the Interstate Cotton Seed Crushers' Association, Chicago, Ill., protesting against the continuance of the present tax on colored oleomargarine; to the Committee on Ways and Means.

Also (by request), petition of the First Methodist Episcopal Church of Elgin, Ill., favoring an amendment to the Constitu-

tion of the United States abolishing polygamy; to the Committee on the Judiciary.

By Mr. LEVY: Petition of the Switchmen's Union of North America, protesting against the passage of the workmen's compensation bill; to the Committee on the Judiciary.

Also, petition of the Banana Buyers' Protective Association, New York, N. Y., protesting against the passage of the legislation placing an import tax on bananas; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of the Switchmen's Union of North America, favoring legislation to increase the force of safety-appliance inspectors on railroads; to the Committee on Interstate and Foreign Commerce.

SENATE.

FRIDAY, July 25, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented the memorial of Joseph H. Beall, of Boston, Mass., former president of the American Agricultural Association, relative to conditions existing in Mexico, which was referred to the Committee on Foreign Relations.

He also presented a petition from the National Civil Service Reform League, remonstrating against the adoption of paragraph O of section 2 of the pending tariff bill, relating to the collection of the income tax, which was ordered to lie on the table.

Mr. WEEKS presented a paper to accompany the bill (S. 1583) granting a pension to Sarah W. Loud, which was referred to the Committee on Pensions.

Mr. MCLEAN presented a resolution adopted by the Business Men's Association of Meriden, Conn., favoring a more efficient and businesslike administration of the Consular Service, which was referred to the Committee on Commerce.

Mr. CLAPP presented petitions of sundry citizens of Minneapolis, Minn., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

COLLECTION OF INCOME TAX.

Mr. STERLING. Mr. President, I send to the desk a communication from the National Civil Service Reform League, addressed to Members of the Senate and House of Representatives, in opposition to paragraph O of section 2 of the tariff bill, which I will ask to have read, and I shall then move that it lie on the table, to be taken up in connection with that paragraph of the bill when it is reached. I ask unanimous consent that it be read. I think its importance is such at this time that it ought to be read to the Senate, as well as printed in the RECORD.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

(Charles W. Elliot, president. Vice presidents: Edwin A. Alderman, Charlottesville, Va.; Charles J. Bonaparte, Baltimore; Joseph H. Choate, New York City; Harry A. Garfield, Williamstown, Mass.; George Gray, Wilmington, Del.; Arthur T. Hadley, Yale University; Seth Low, New York City; Franklin MacVeagh, Washington, D. C.; George A. Pope, Baltimore; Henry A. Richmond, Buffalo, N. Y.; Moorfield Storey, Boston; Thomas N. Strong, Portland, Oreg.; and Herbert Welsh, Philadelphia. Robert W. Belcher, secretary; A. S. Frissell, treasurer; Robert D. Jenks, chairman of council; George T. Keyes and Harry W. Marsh, assistant secretaries.)

NATIONAL CIVIL SERVICE REFORM LEAGUE,
OFFICES 79 WALL STREET,
New York, July 24, 1913.

Memorandum of the National Civil Service Reform League in opposition to paragraph O of section 2 of the tariff bill, H. R. 3321.

SPOILS RAID IN THE TARIFF BILL.

To the Members of the Senate and the House of Representatives:

The tariff bill, H. R. 3321, as introduced in the Senate provides for the employment for the period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law. This provision is found in amendment O (pp. 207, 208, 209) appropriating \$1,200,000 for salaries and supplies required to enforce the income-tax law. The provision referred to in full is as follows:

"Provided, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled 'An act to regulate and improve the civil service,' approved January 16, 1883, and amendments thereto, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed: *Provided further*, That no person now in the classified service who shall be appointed an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment."

We can find nowhere in the report of the Committee on Finance as printed in the CONGRESSIONAL RECORD any reasons stated why this large force should be recruited outside the civil-service law. The only excuse for such a provision would be inability on the part of the Civil Service Commission to supply an adequate force within a reasonable time; but we are informed by the commission that it has upon its registers a full complement of eligibles from whom selection could be made for these positions. In view of the lack of any necessity for going outside the eligible lists to make these appointments, this provision in the bill is a gross injustice to those who have taken the examinations and qualified for positions in accordance with the law and custom.

The number of clerks whose appointments are thus thrown open to political influences will run into the hundreds. Congress could continue their appointment by further legislation at the end of the two-year period and Senators and Representatives would be importuned by the force so appointed to grant an extension of employment or transfer to the classified service. There is no precedent for such a widespread exception since the days of the Spanish War other than the unnecessary and ill-advised provision in the sundry civil appropriation bill of last year allowing temporary appointments in the Pension Office for a period of one year. At the time of the Spanish War emergency and in the face of full lists of eligibles a large force was appointed without regard to the civil-service rules. Before the lapse of any considerable time it was shown that this force was distinctly inferior in capacity to the regular civil-service employees, yet by subsequent legislation they were covered into the classified service.

This proposed legislation is an attempt to secure patronage at the expense of the merit system and is contrary to the civil-service planks in the platforms of the three great parties. The plank in the Democratic platform favored the enforcement of the civil-service law to the end that "merit and ability should be the standard of appointment and promotion rather than service rendered to a political party." The Progressive Party went on record as in favor of "the enforcement of the civil-service law in letter and spirit," while the Republican Party "stands committed to the maintenance, extension, and enforcement of the civil-service law."

We therefore ask your assistance in preventing any such spoils raid as is proposed in the tariff bill and in upholding by your vote the principles of your party that the subordinate civil service should be absolutely withdrawn from politics. We sincerely hope that you will refuse to record your vote in favor of this particular provision of the tariff bill.

Very respectfully, yours,

ROBERT D. JENKS,
Chairman of the Council.
GEORGE T. KEYES,
Assistant Secretary.

Mr. STERLING. I move that the communication just read lie on the table.

The VICE PRESIDENT. It will be so ordered without any motion.

Mr. STERLING subsequently said: In presenting the communication this morning from the National Civil Service Reform League in regard to paragraph O of section 2 of the pending tariff bill, I omitted to make the request that the names at the head of the communication be printed in the RECORD. I ask unanimous consent to that effect.

The VICE PRESIDENT. Is there objection to printing the names of the officials referred to by the Senator from South Dakota?

Mr. SIMMONS. We can not hear on this side of the Chamber a word the Senator has said. I do not know what it is he desires to have printed.

The VICE PRESIDENT. The paper is a memorial from the National Civil Service Reform League with reference to certain features of the tariff bill, and the Senator from South Dakota has asked that the names of the officials may be printed with the document in the RECORD. Is there objection?

Mr. SIMMONS. I do not know what the communication is, but I shall not object.

The VICE PRESIDENT. The Chair hears no objection. The names will be printed in full as requested by the Senator from South Dakota.

STANDARD BARREL FOR FRUITS AND VEGETABLES.

Mr. CLAPP, from the Committee on Standards, Weights, and Measures, to which was referred the bill (S. 2269) to fix the standard barrel for fruits, vegetables, and other dry commodities, reported it with an amendment, and submitted a report (No. 89) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 2823) relating to the temporary filling of vacancies occurring in the offices of register and receiver of district land offices; to the Committee on Public Lands.

A bill (S. 2824) to amend an act entitled "An act to provide for the adjudication and payment of claims arising from Indian depredations," approved March 3, 1891; to the Committee on Indian Affairs.

A bill (S. 2825) granting an increase of pension to Harry Jones;

A bill (S. 2826) granting an increase of pension to Robert G. Sleater (with accompanying paper); and